

# Louisiana Senate Finance Committee



## FY 19 Executive Budget

### 19A – Higher Education

May 2018

*Sen. John A. Alario, President*  
*Sen. Eric LaFleur, Chairman*





# FY 19 Executive Budget

## Schedule 19 — Higher Education



Louisiana Universities Marine Consortium



BOARD of REGENTS  
STATE OF LOUISIANA

Pursuant to Act 314 of 2016, LOSFA and LUMCON are no longer individual budget units and are now programs within the Board of Regents (BoR). Other significant BoR funding initiatives included within the Board of Regents budget unit include: Louisiana Optical Network Infrastructure (LONI) and the Louisiana Library Network (LOUIS).



- Louisiana State University A&M (includes LSU Board of Supervisors & Law Center)
- LSU Alexandria
- LSU Eunice
- LSU Shreveport
- LSU Health Sciences Center at New Orleans
- LSU Health Sciences Center at Shreveport
- LSU Agriculture Center
- Pennington Biomedical Research Center



- Southern University Board of Supervisors
- Southern University A&M
- Southern University Law Center
- Southern University New Orleans
- Southern University Shreveport
- Southern Agriculture Center



- University of LA Board of Supervisors
- Grambling State University
- Louisiana Tech University
- McNeese State University
- Nicholls State University
- Northwestern State University
- Southeastern Louisiana University
- University of Louisiana – Lafayette
- University of Louisiana – Monroe
- University of New Orleans



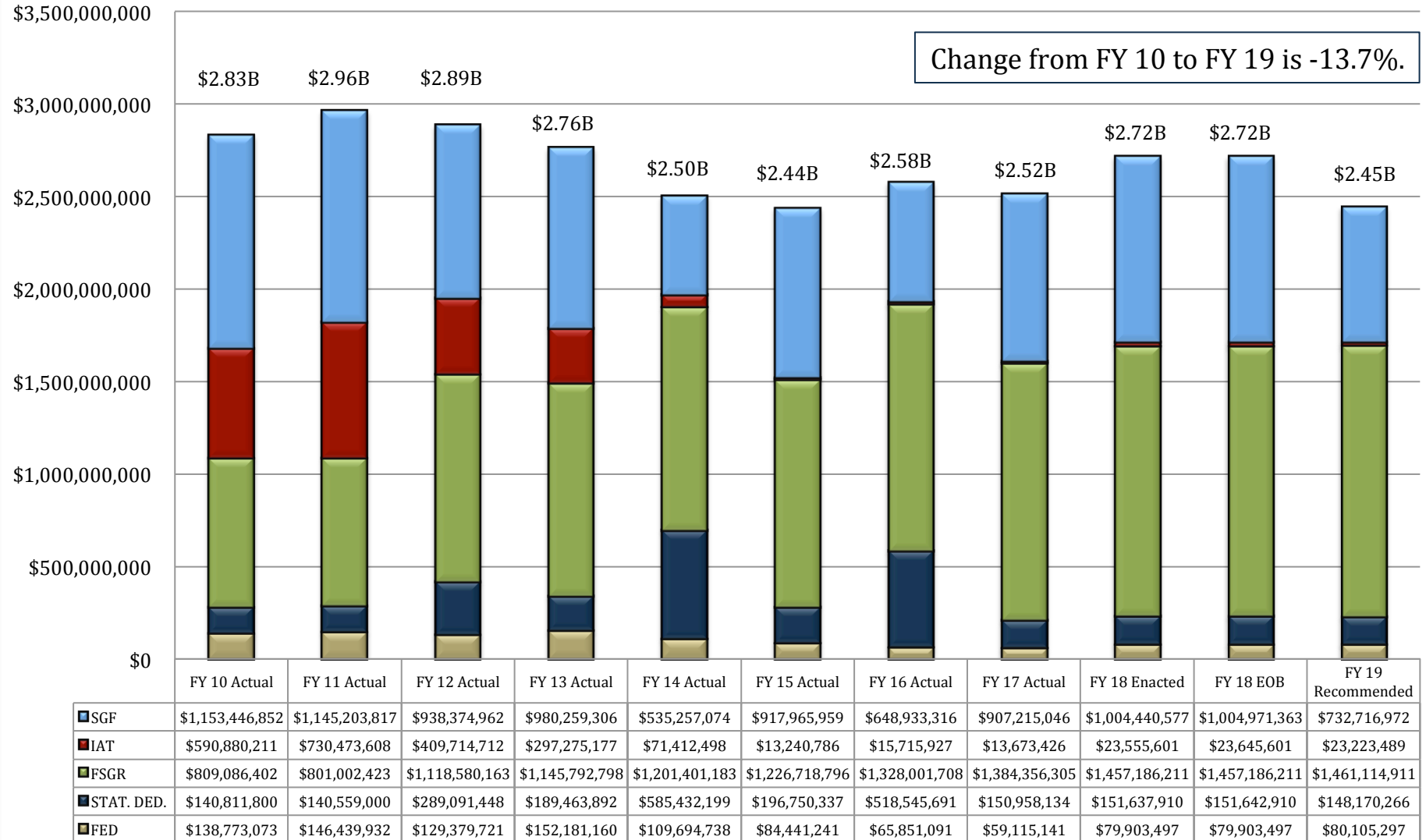
- LCTCS Board of Supervisors
- Baton Rouge Community College
- Bossier Parish Community College
- Central LA Technical Community College
- Delgado Community College
- L.E. Fletcher Technical Community College
- LA Delta Community College
- LA Technical College
- Nunez Community College
- Northshore Technical Community College
- River Parishes Community College
- South LA Community College
- SOWELA Technical Community College



# Higher Education

## Changes in Funding since FY 10

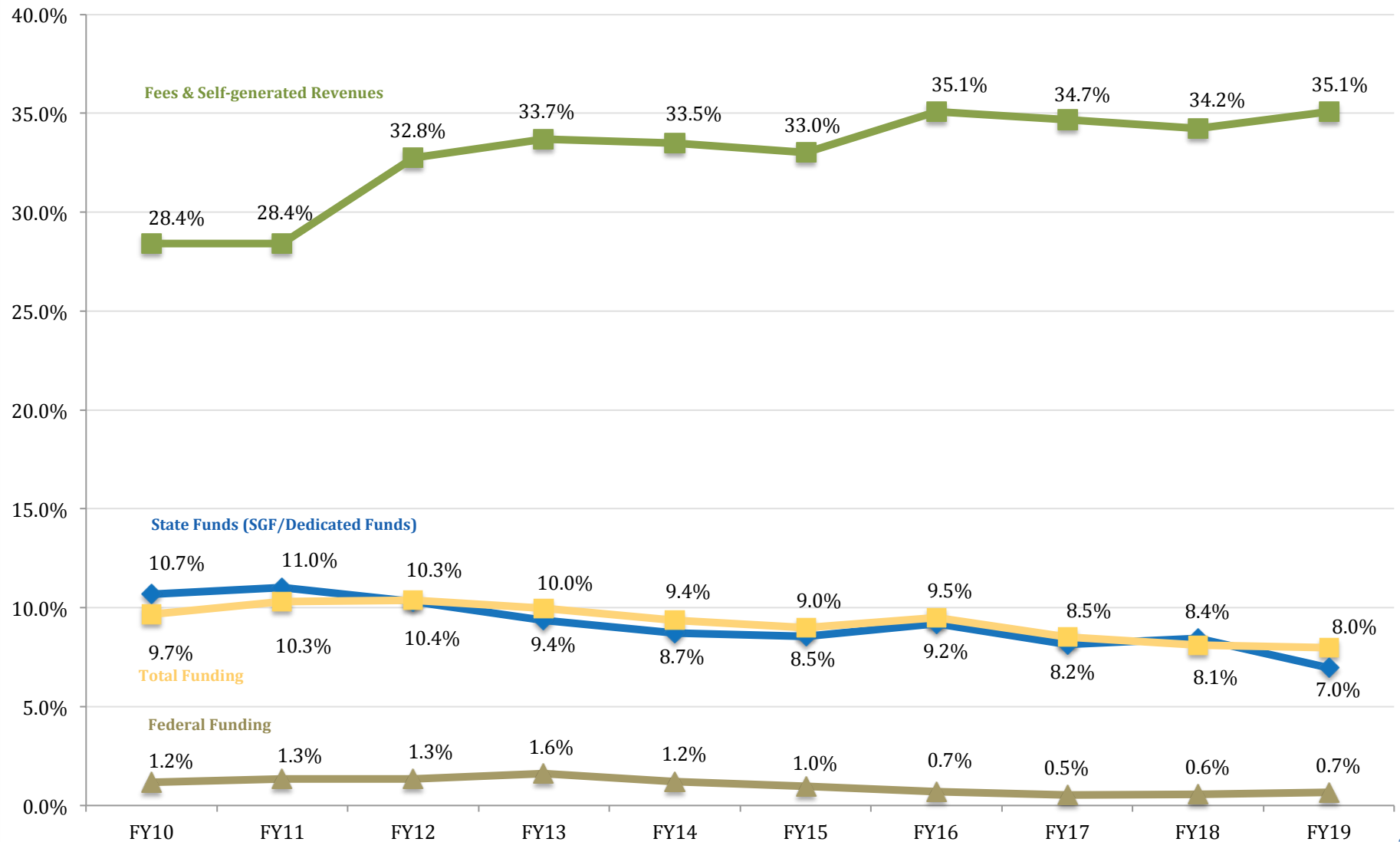
### Total Budget by Fiscal Year and Means of Finance





# Higher Education Changes in Funding since FY 10

Higher Education's Budget as a Portion of the Total State Budget





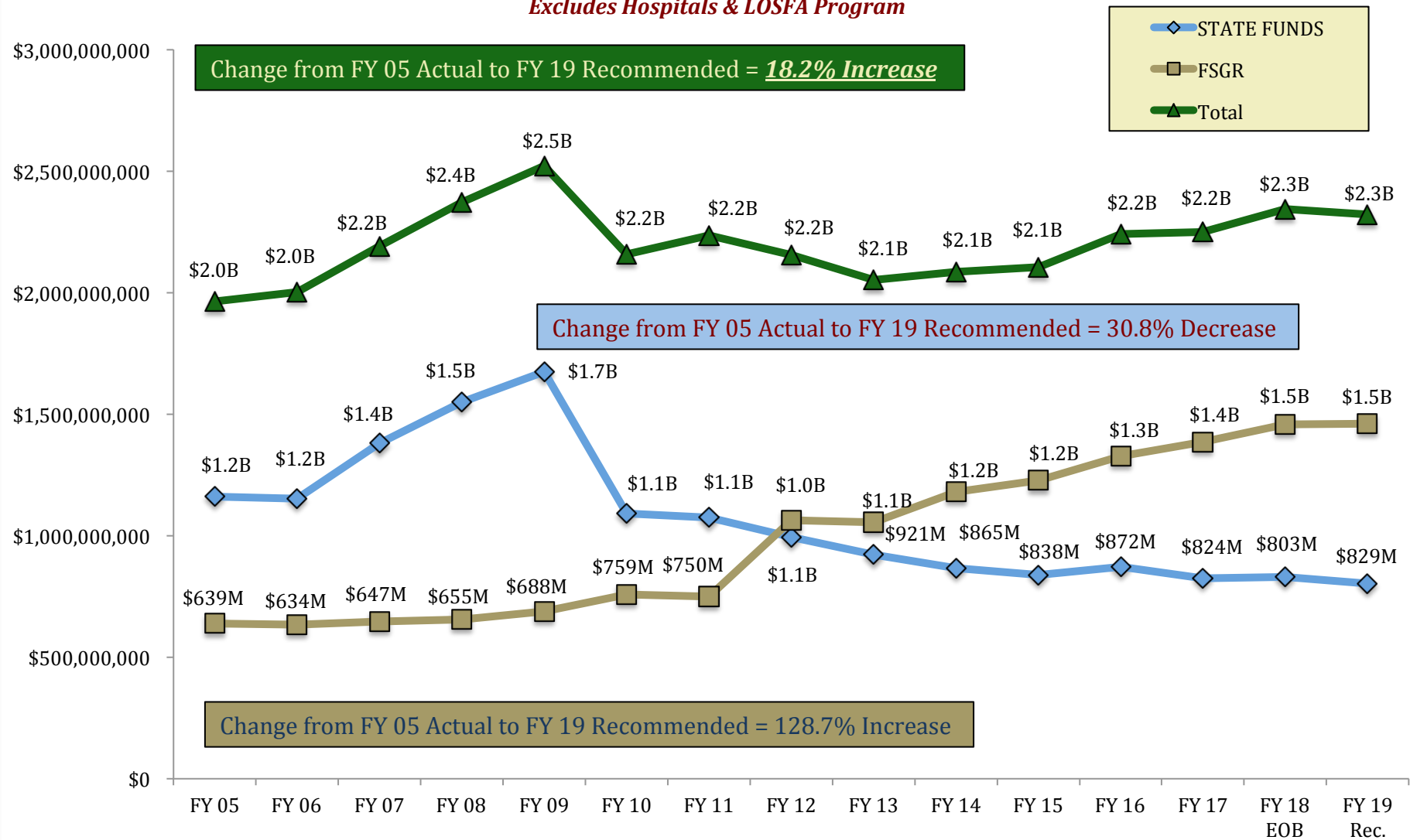


# Higher Education Funding

## Actuals FY 05-FY 17, FY 18 EOB, FY 19 Recommended

### Nominal Unadjusted Actuals

*Excludes Hospitals & LOSFA Program*



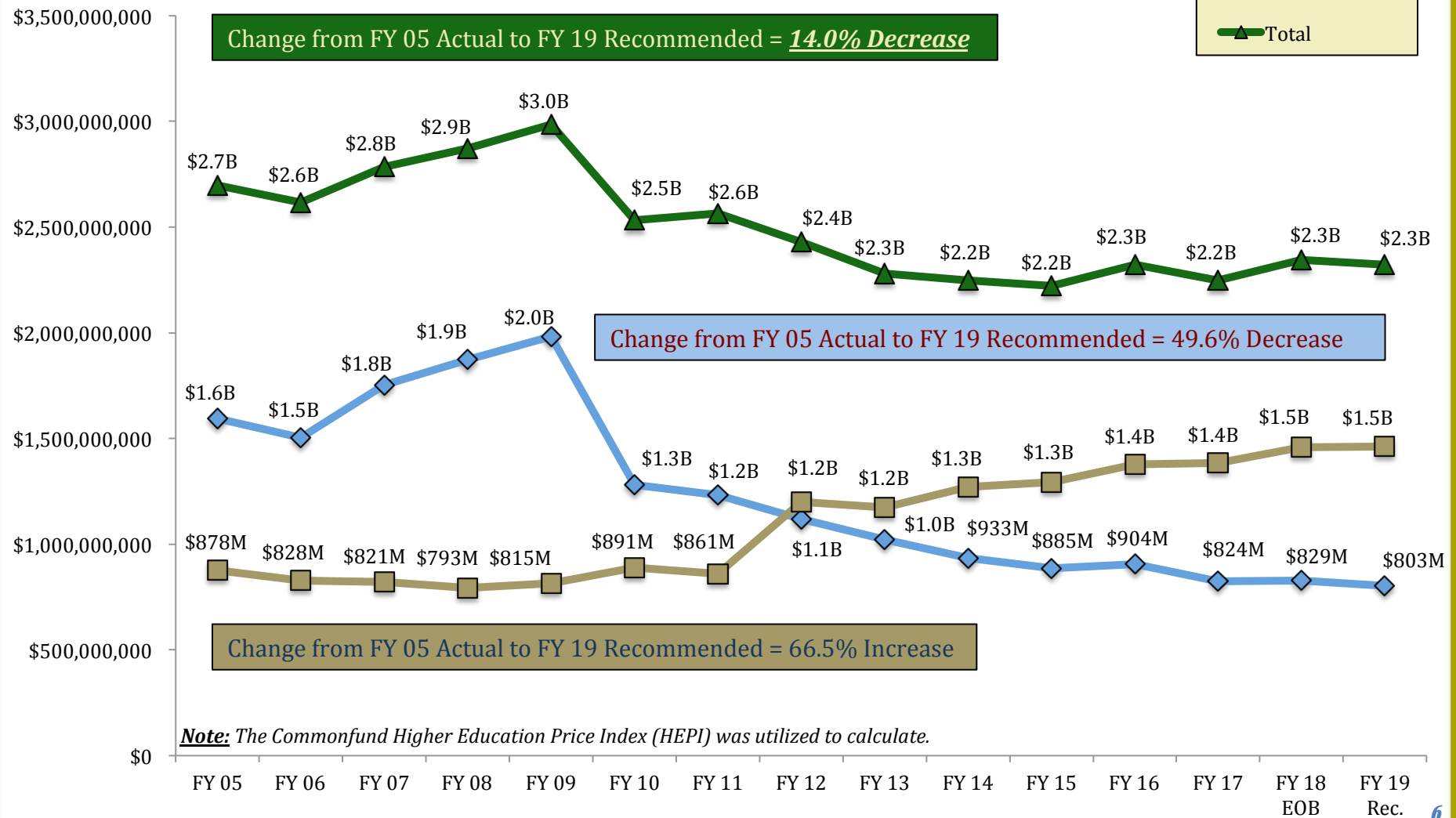


# Higher Education Funding

## Actuals FY 05-FY 17, FY 18 EOB, FY 19 Recommended

### Actuals Adjusted for Inflation (HEPI)

*Excludes Hospitals & LOSFA Program*





# Total Funding – All Means of Finance FY 17, FY 18, and FY 19 Comparison

## Total Funding — All Means of Finance

Total Funding	FY 17 Actual	FY 18 EOB as of 12-1-2017	FY 19 Recommended	FY 19 Recommended Over/(Under) FY 18 EOB
Board of Regents	\$326,777,943	\$448,434,971	\$900,364,095	\$451,929,124
LSU System	\$929,429,504	\$954,934,949	\$603,971,266	(\$350,963,683)
SU System	\$137,066,925	\$138,709,287	\$97,137,895	(\$41,571,392)
UL System	\$836,632,950	\$872,304,199	\$657,750,330	(\$214,553,869)
LCTCS	\$285,410,730	\$302,966,176	\$186,107,349	(\$116,858,827)
<b>TOTAL</b>	<b>\$2,515,318,052</b>	<b>\$2,717,349,582</b>	<b>\$2,445,330,935</b>	<b>(\$272,018,647)</b>

## Total MOF FY 19 Net Adjustments to Higher Education

TOPS SGF Cut	(\$233,342,683)
Higher Ed SGF Cut	(\$25,680,922)
Go Grant SGF Cut	(\$13,000,000)
Regents CF BA-7	(\$625,786)
Various Dedicated Fund Reductions	(\$3,467,644)
Board of Regents: Other MOF	(\$103,412)
LUMCON: Additional FSGR Authority	\$4,000,000
Board of Regents: LOSFA Federal Authority	\$201,800
<b>TOTAL</b>	<b>(\$272,018,647)</b>



## Higher Education FY 19 Executive Budget SGF Adjustments

FY 19 SGF ADJUSTMENTS	SGF EOB 12-1-2017	ROLL UP SGF to Regents	Net BoR Adjustments	Go Grant SGF Reduction	TOPS SGF Reduction	Higher Education SGF Reduction	FY 19 SGF Executive Budget Recommendation
Board of Regents (BoR)	\$13,302,792	\$991,668,571	(\$230,786)	(\$13,000,000)	(\$233,342,683)	(\$25,680,922)	\$732,716,972
LOSFA Program (BoR)	\$266,431,249	(\$266,431,249)	\$0	\$0	\$0	\$0	\$0
LUMCON Program (BoR)	\$2,277,892	(\$2,277,892)	\$0	\$0	\$0	\$0	\$0
LCTCS	\$116,754,509	(\$116,754,509)	\$0	\$0	\$0	\$0	\$0
LSU System	\$350,527,829	(\$350,527,829)	\$0	\$0	\$0	\$0	\$0
SU System	\$41,490,381	(\$41,490,381)	\$0	\$0	\$0	\$0	\$0
UL System	\$214,186,711	(\$214,186,711)	\$0	\$0	\$0	\$0	\$0
<b>TOTAL SGF</b>	<b>\$1,004,971,363</b>	<b>\$0</b>	<b>(\$230,786)</b>	<b>(\$13,000,000)</b>	<b>(\$233,342,683)</b>	<b>(\$25,680,922)</b>	<b>\$732,716,972</b>

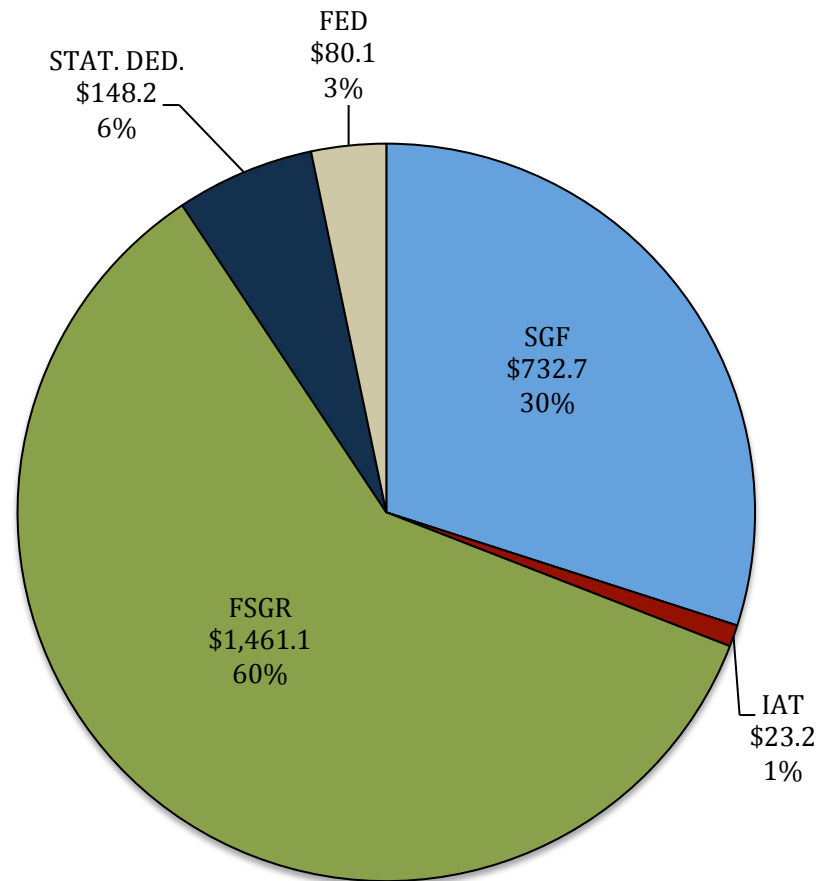
Since the FY 10 Budget Development process and pursuant to language contained in the Higher Education preamble of HB 1 (*page 124, line 26 & 27 of HB 1 Re-engrossed & also page 127, line 21 & 22 of HB 1 Re-engrossed*), for purposes of developing the Executive Budget Recommendation, the Division of Administration (DOA) transfers all SGF from the institutions and management boards to the Board of Regents, which results in all SGF budget adjustments to Higher Education being contained in the Board of Regents budget unit (19-671) in the FY 19 Executive Budget Recommendation.

The Board of Regents does not spread the SGF to the institutions until the Higher Education Funding Formula is calculated, finalized and distribution decisions are made, which will likely not occur until June 2018. Prior to the FY 10 budget, the SGF was recommended in the management boards in the Executive Budget as well as in the appropriations bill.



# Higher Education

## FY 19 Recommended Means of Finance



In \$ millions

**\$2.45 B. Total**

### Major Non-SGF Sources of Funding:

#### **Interagency Transfers**

- Board of Regents - \$6.3 M from DOA/CDBG for WISE Program
- Board of Regents - \$3.8 M from LA Library Consortium (LOUIS) members
- LSU A&M/SU A&M - \$10.9 M from DOE/MFP for both the SU Lab School and LSU Lab School

#### **Fees & Self-generated Revenues**

- Tuition & Fees - \$1,457.2 M at public institutions of higher education

#### **Federal**

- Federal Family Education Loans Program - \$47.2 M for student loan claims payments, account maintenance, default aversion and administrative costs
- USDA Grants - \$13 M for agricultural extension stations, cooperative extension services and research

#### **Significant Statutory Dedications**

- TOPS Fund [C] - \$57.9 M for TOPS awards
- SELF Fund [S] - \$43.4 M for faculty salaries
- 8G Fund [C] - \$21.7 M for research, endowed chairs, scholars and graduate student recruitment
- Workforce Training Rapid Response Fund [S] - \$10 M for high demand workforce training programs





# Higher Education Dedicated Funds

## FY 17, FY 18, and FY 19

Dedicated Funds	Source of Funding	FY 17 Actual	FY 18 EOB	FY 19 Recommended
Calcasieu Parish Fund	Taxes/Gaming, R.S. 27:392; R.S. 33:9571	\$529,646	\$523,243	\$523,423
Calcasieu Parish Higher Education Improvement Fund	Sales & Use Tax, R.S. 47:302.14	\$1,741,103	\$1,430,889	\$1,546,998
Equine Health Studies Program Fund	Taxes/Gaming, R.S. 27:392(B)	\$750,000	\$750,000	\$750,000
Fireman Training Fund	Taxes/Insurance, R.S. 22:837	\$3,252,080	\$3,370,352	\$3,487,649
Higher Education Initiatives Fund	Appropriation, R.S. 17:3129.6	\$144,345	\$5,000	\$0
LA Quality Education Support Fund	Settlements/Judgments, Art. VII, Sect. 10.1, R.S. 17:3801	\$19,695,535	\$24,230,000	\$21,730,000
Medical & Allied Health Prof Ed School & Loan Fund	Fees/R.S. 40:1300.8.2	\$200,000	\$200,000	\$200,000
Orleans Parish Excellence Fund	Taxes/Gaming, R.S. 27:392	\$319,900	\$298,280	\$312,311
Pari-mutuel Live Racing Fac. Gaming Control Fund	Taxes/Gaming, R.S. 27:392(C)(1), (2)	\$50,000	\$50,000	\$50,000
Proprietary School Students Protection Fund	Fees, R.S. 17:3141.16	\$4,622	\$200,000	\$200,000
Rockefeller Wildlife Refuge Trust & Protect Fund	Royalties & Interest, Article VII, Sect. 14, R.S. 56:797	\$52,112	\$60,000	\$60,000
SU AgCenter Program Fund	Taxes/Gaming, R.S. 27:392(B)	\$920,000	\$750,000	\$750,000
Support Education in Louisiana First Fund	Taxes/Gaming, R.S. 17:421.7	\$39,902,692	\$44,649,070	\$43,404,070
Tobacco Tax Health Care Fund	Taxes/Tobacco, R.S. 47:841.1(A)	\$20,727,841	\$7,017,842	\$7,025,956
TOPS Fund	Settlements/Judgments, Art. VII, Section 10.10, R.S. 39:98.5, R.S. 39.99.1	\$52,510,370	\$57,898,234	\$57,920,039
2% Fire Insurance Fund	Taxes/Insurance, R.S. 22:347	\$210,000	\$210,000	\$210,000
Workforce Training Rapid Response Fund	Taxes/SGF, R.S. 17:1874	\$10,000,000	\$10,000,000	\$10,000,000
<b>TOTALS</b>		<b>\$150,958,134</b>	<b>\$151,642,910</b>	<b>\$148,170,266</b>



# Higher Education Dedicated Funds FY 17, FY 18, and FY 19

**Dedicated Fund Review Subcommittee recommendation:**

*Calcasieu Parish Fund = No Change*

*Equine Health Studies Program Fund = No Change*

*Fireman Training Fund = No Change*

*Higher Education Initiatives Fund = Elimination*

*Orleans Parish Excellence Fund = No Change*

*Pari-mutuel Live Racing Facility Gaming Control Fund = No Change*

*Proprietary School Students Protection Fund = Reclassify as FSGR*

*SU AgCenter Program Fund = No Change*

*Support Education in Louisiana First Fund (SELF) = No Change*

*Tobacco Tax Health Care Fund = No Change*

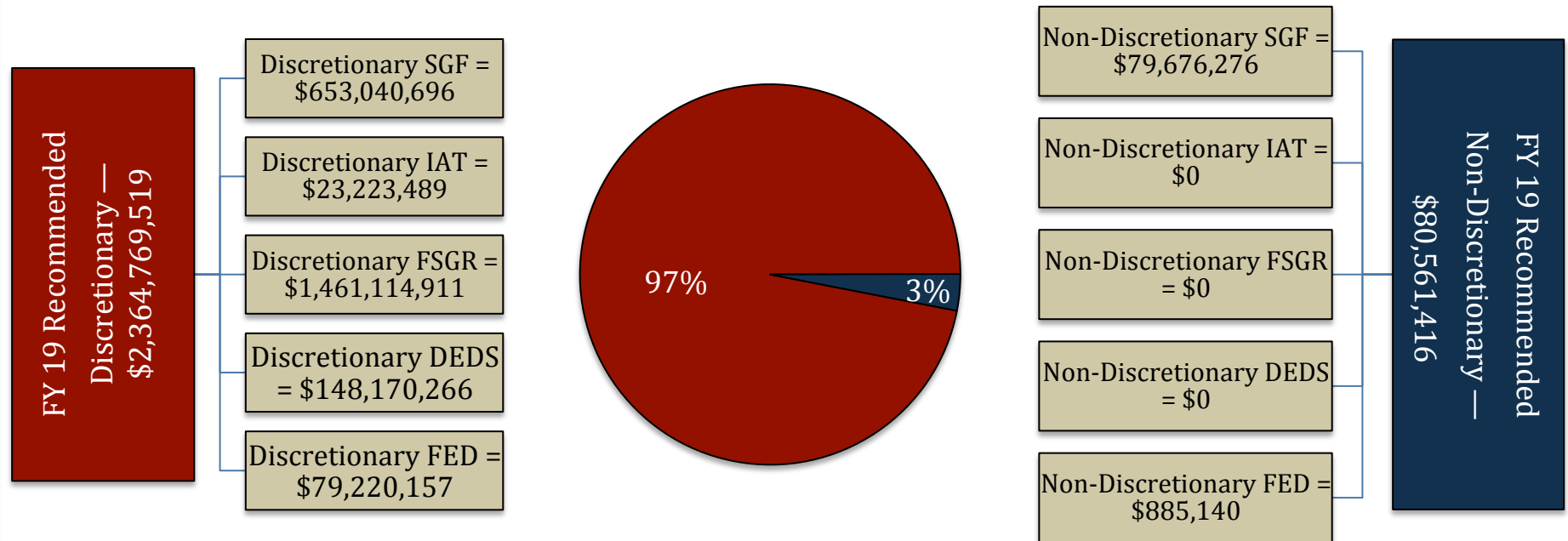
*2% Fire Insurance Fund = No Change*

*Workforce Training Rapid Response Fund = No Change*



# Higher Education

## FY 19 Discretionary/Non-Discretionary Comparison



Total Discretionary Funding by System		
Board of Regents	\$819,802,679	35%
LSU System	\$603,971,266	26%
SU System	\$97,137,895	4%
UL System	\$657,750,330	28%
LCTCS	\$186,107,349	7%
<b>Total Discretionary</b>	<b>\$2,364,769,519</b>	<b>100%</b>

**Note:** Due to the current practice of placing all SGF for Higher Education at the Board of Regents, the discretionary table above is overstated for the Board of Regents and understated for the management boards.

Total Non-Discretionary Funding by Type		
Needed to Pay Debt Service	\$1,398,719	2%
Statutory Obligations	\$3,400,000	4%
Unavoidable Obligations	\$75,762,697	94%
<b>Total Non-Discretionary</b>	<b>\$80,561,416</b>	<b>100%</b>

*Debt Service = Rent in State-owned Buildings*

*Unavoidable Obligations = Retirees Group Insurance; Legislator Auditor Fees.*

*Statutory Obligations = R.S. 17:3801(F), 8(g) SGF replacement for LTC*



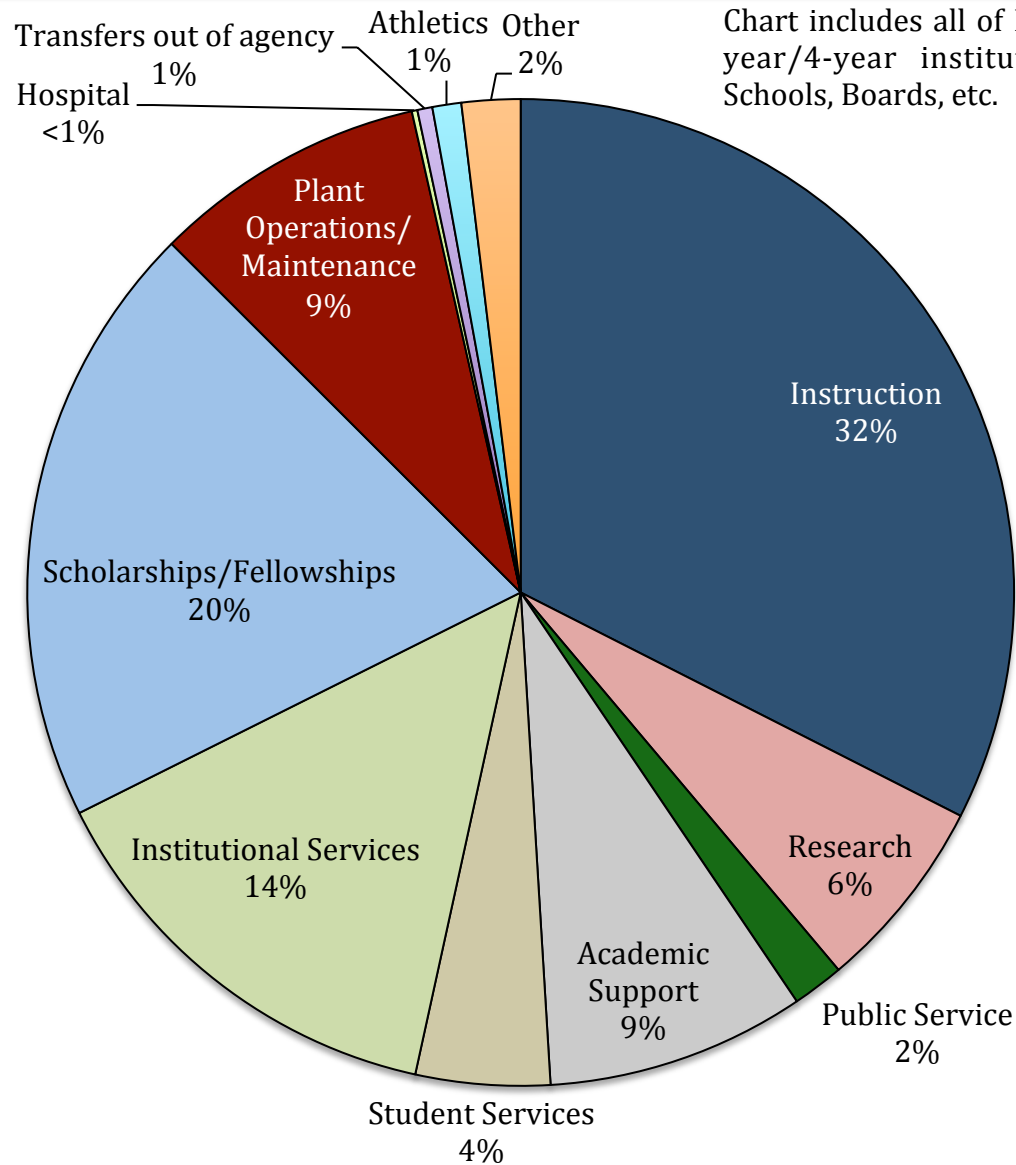
## Higher Education Expenditures FY 17, FY 18, and FY 19

Expenditure Category	FY 17 Actual	FY 18 EOB 12-1-2017	FY 19 Recommended	Percent Change FY 18 EOB vs. FY 19 Recommended
<b>Personal Services:</b>	<b>\$1,547,209,228</b>	<b>\$1,646,693,804</b>	<b>\$0</b>	<b>(100.0)</b>
Salaries	\$1,040,874,830	\$1,103,301,704	\$0	(100.0)
Other Compensation	\$57,133,330	\$51,040,288	\$0	(100.0)
Related Benefits	\$449,201,068	\$492,351,812	\$0	(100.0)
<b>Operating Expenses:</b>	<b>\$247,102,279</b>	<b>\$268,208,787</b>	<b>\$0</b>	<b>(100.0)</b>
Travel	\$10,513,259	\$12,407,258	\$0	(100.0)
Operating Services	\$186,002,265	\$207,914,007	\$0	(100.0)
Supplies	\$50,586,755	\$47,887,522	\$0	(100.0)
<b>Professional Services</b>	<b>\$39,145,331</b>	<b>\$32,214,852</b>	<b>\$0</b>	<b>(100.0)</b>
<b>Other Charges:</b>	<b>\$648,263,928</b>	<b>\$751,390,014</b>	<b>\$2,445,330,935</b>	<b>225.4</b>
Other Charges	\$602,639,921	\$688,485,344	\$2,445,330,935	255.2
Debt Service	\$0	\$0	\$0	-
Interagency Transfers	\$45,624,007	\$62,904,670	\$0	-
<b>Acquisitions &amp; Major Repairs:</b>	<b>\$33,597,286</b>	<b>\$18,842,125</b>	<b>\$0</b>	<b>(100.0)</b>
Acquisitions	\$28,432,106	\$17,365,319	\$0	(100.0)
Major Repairs	\$5,165,180	\$1,476,806	\$0	-
<b>Total Expenditures</b>	<b>\$2,515,318,052</b>	<b>\$2,717,349,582</b>	<b>\$2,445,330,935</b>	<b>(10.0)</b>

The FY 19 Executive Budget recommends all Higher Education funding be allocated to the Other Charges expenditure category. Annually, the official expenditure spread of the management boards is approved by the Board of Regents at its September board meeting.



## FY 18 ALL Higher Education Expenditures BY FUNCTION

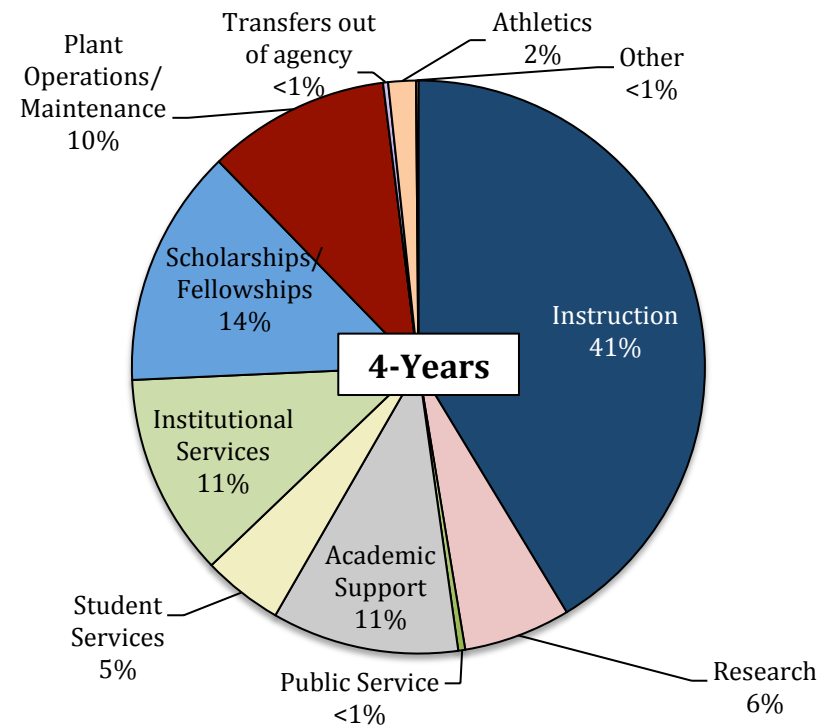
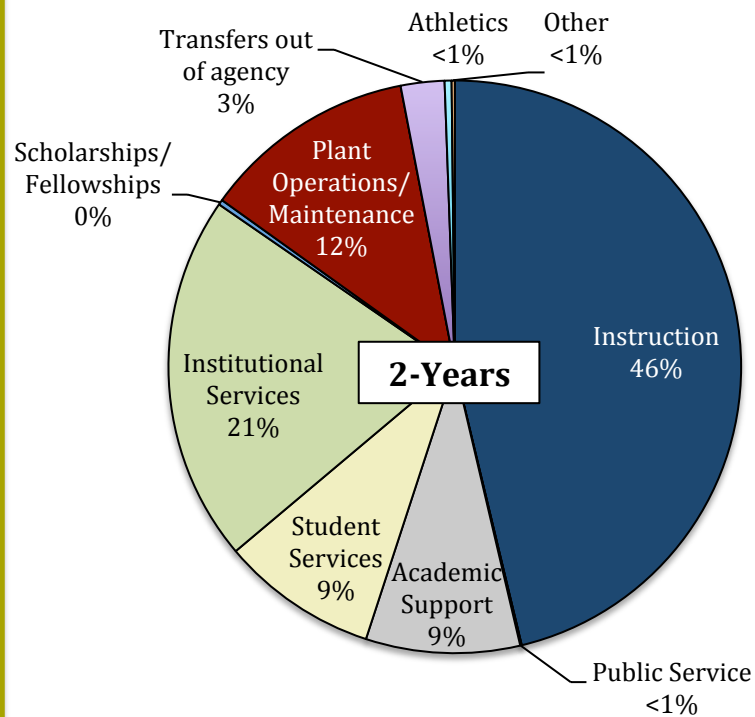


**Note:** The FY 19 expenditures by function will not be reported until September 2018.





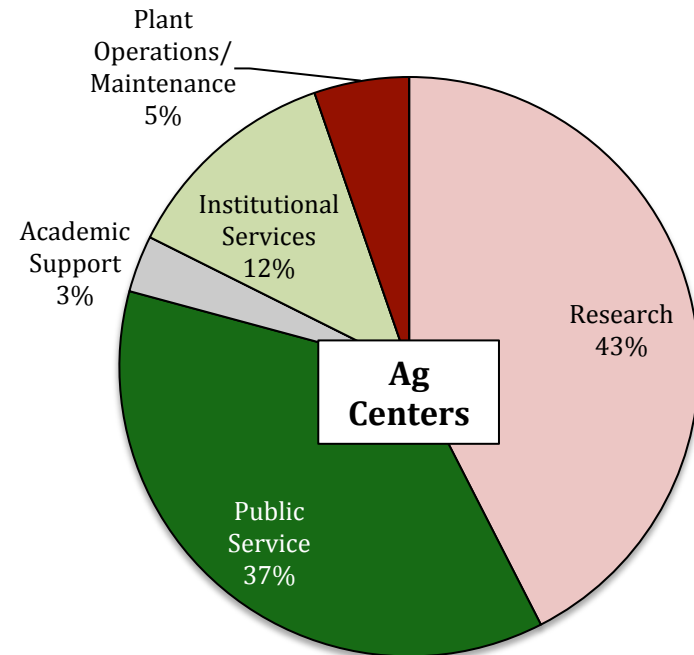
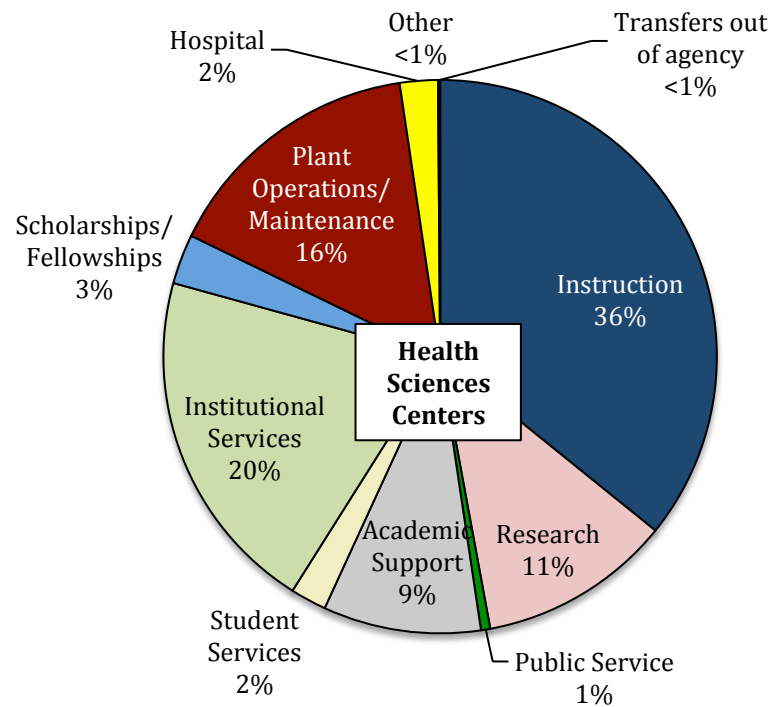
## FY 18 Higher Education Expenditures BY FUNCTION



Source: FY 18 Board of Regents, Form 3



# FY 18 Higher Education Expenditures BY FUNCTION

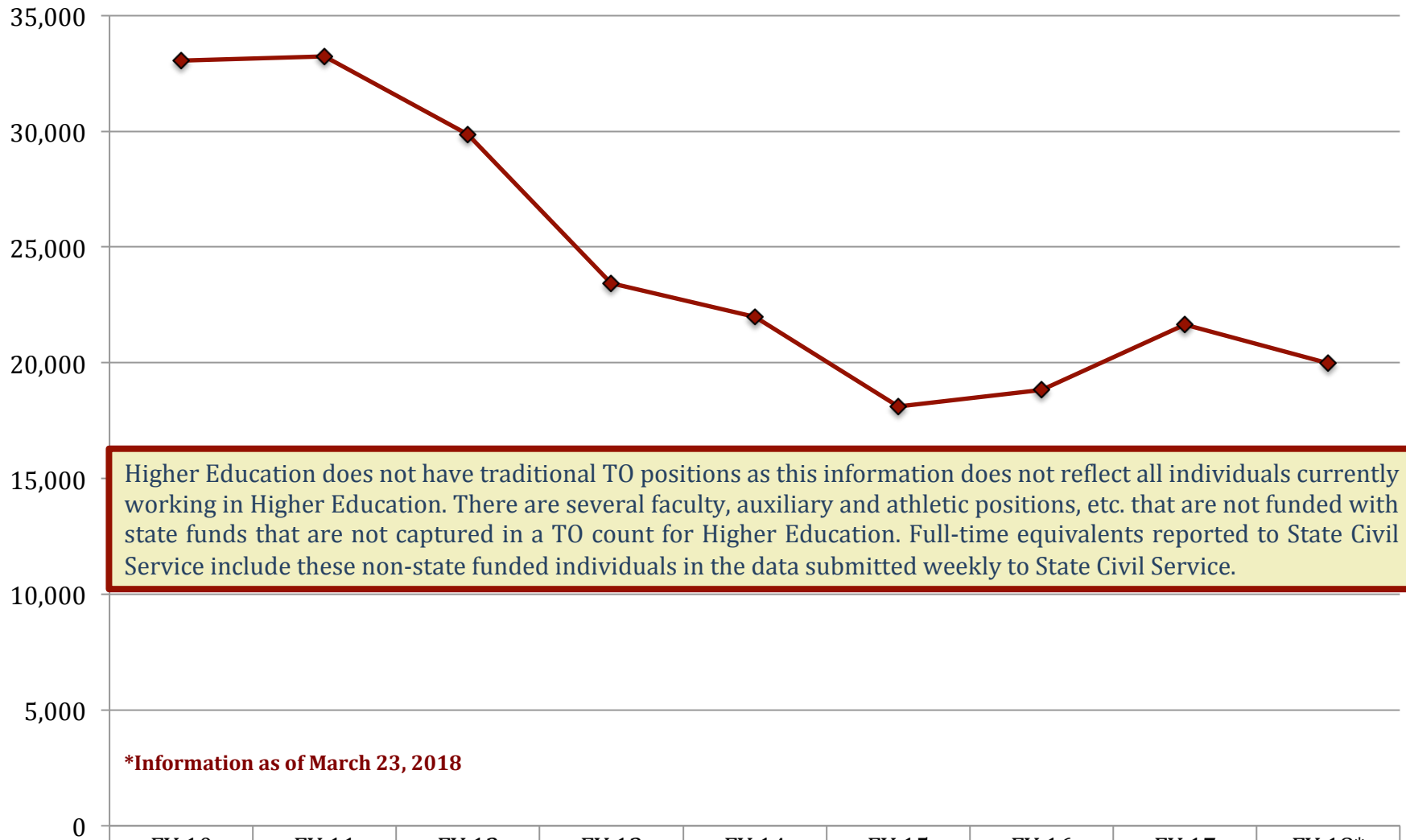


Source: FY 18 Board of Regents, Form 3



# Higher Education Full-Time Equivalents (FTEs)

Source: State Civil Service Commission



	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18*
Total FTEs	33,062	33,238	29,862	23,421	21,973	18,112	18,829	21,648	19,969



# Higher Education FY 19 Budget Request

An additional **\$191.6 M SGF** requested above the FY 18 SGF Base Budget

The Board of Regents, on behalf of Higher Education, requested **\$191.6 M** of additional SGF for FY 19.

**The breakdown of the **\$191.6 M SGF** requested is as follows:**

- **\$96.5 M SGF** – 2-year/4-year institutions to increase the outcomes portion of the formula and cost portion of the formula by an aggregate 5 percentage points (\$45 M total) as well as provide funding requests by each of the four higher education management boards for various initiatives (\$51.5 M total);
- **\$37.8 M SGF** – Fund individuals eligible for Go Grants in accordance with the current financial aid packaging policy level, which would result in total Go Grant funding of \$64.2 M for FY 19;
- **\$17.3 M SGF** – Fund the average annual increase in state mandated costs from FY 09 to FY 18;
- **\$2.5 M SGF** – Additional funding for open sources documents and eTextbooks;
- **\$1.3 M SGF** – Additional funding for the Louisiana Optical Network Initiative (LONI);
- **\$36.2 M SGF** – Additional funding for the various specialized units including the LSU Ag Center, SU Ag Center, LSU Health Science Centers, Pennington Biomedical, SU Law Center.
- In addition, the Board of Regents also requested **\$53 M** from the prior-year SGF surplus be appropriated for deferred maintenance.



## Higher Education Significant FY 19 Executive Budget Reductions

Decrease	Source	Agency	Description
(\$13,000,000)	SGF	LOSFA Program (Board of Regents)	Eliminates approximately 50% of the total funding for the Go Grant Program in the FY 19 Executive Budget Recommendation.
(\$233,342,683)	SGF	LOSFA Program (Board of Regents)	Eliminates all SGF in TOPS and leaves only the TOPS Fund as its funding source. Therefore, TOPS is only funded at a 20% level for the FY 19 Executive Budget Recommendation.
(\$25,680,922)	SGF	Higher Education	Reduction to all Higher Education entities
(\$2,500,000)	Dedicated Funds	Board of Regents	Decrease to the Louisiana Quality Education Support Fund (8g) to reflect the latest adopted revenue forecast.
(\$1,245,000)	Dedicated Funds	Higher Education	Decrease to the Support Education in Louisiana First Fund (SELF) to reflect the latest adopted revenue forecast.

**NOTE:** Based on the latest LOSFA Program projections, and the current TOPS Fund forecast, the total amount of SGF need to fully fund TOPS in FY 19 is **\$236.6 M**, or approximately \$3.3 M more than the SGF amount reduced during FY 19 Executive Budget development (\$233.3 M).

Based on HB 1 Re-engrossed, an additional **\$61.6 M** SGF is needed to fully fund TOPS for FY 19 as there is currently \$175.1 M SGF provided in the bill for FY 19.

*House amendments restored \$175.1 M SGF for TOPS, \$13 M for Go Grants and \$25.7 M SGF for Higher Education.*





## FY 19 Higher Education \$25.7 M SGF FY 19 Executive Budget Cut

- **\$25.7 M SGF reduction** impacts all Higher Education entities in the FY 19 Executive Budget Recommendation. This cut represents a **3.46% decrease**.
- Utilizing a Pro-Rata Share approach for allocating this reduction, the entities being impacted are provided in the chart below.

\$25.7 M SGF Cut	
Board of Regents Program	(\$451,777)
LOSFA Program	(\$164,490)
LUMCON Program	(\$78,725)
LCTCS Board/Online	(\$289,801)
LSU Ag Center	(\$2,339,641)
LSU Medical School - NOLA	(\$2,621,354)
LSU Medical School - Shreveport	(\$2,011,522)
Pennington Biomedical	(\$559,283)
SU Law Center	(\$138,807)
SU Board	(\$102,271)
SU Ag Center	(\$119,173)
UL Board	(\$35,441)
2-year/4-year institutions	(\$16,768,637)
<b>TOTAL</b>	<b>(\$25,680,922)</b>

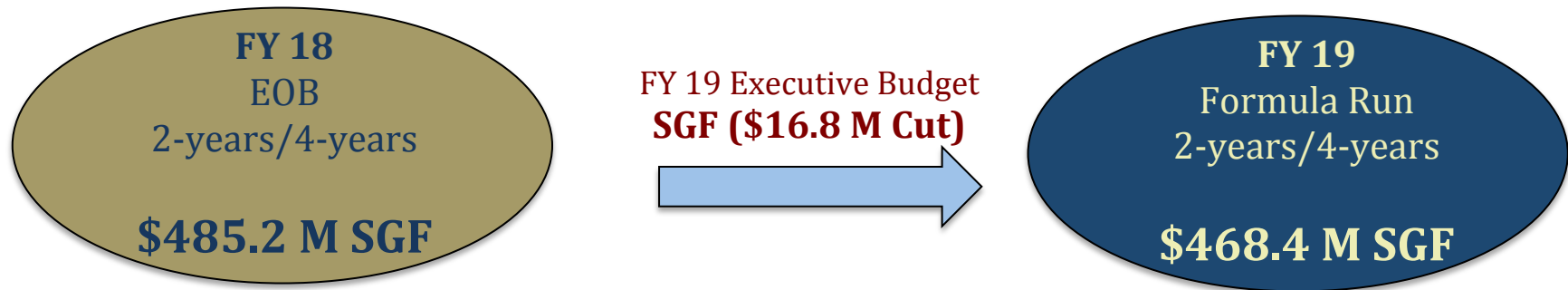
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**Note:** Pursuant to language in HB 1 - Original, in order to calculate the pro-rata share illustrated in the table above, the FY 18 SGF Base backs out funding for the START enhancement (\$1.9 M) and Go Grants (\$13.4 M) in order to protect these initiatives from being reduced a portion of the \$25.7 M overall Higher Education cut.



## FY 19 Higher Education

\$16.8 M SGF Cut to 2-year/4-year institutions in FY 19 Executive Budget

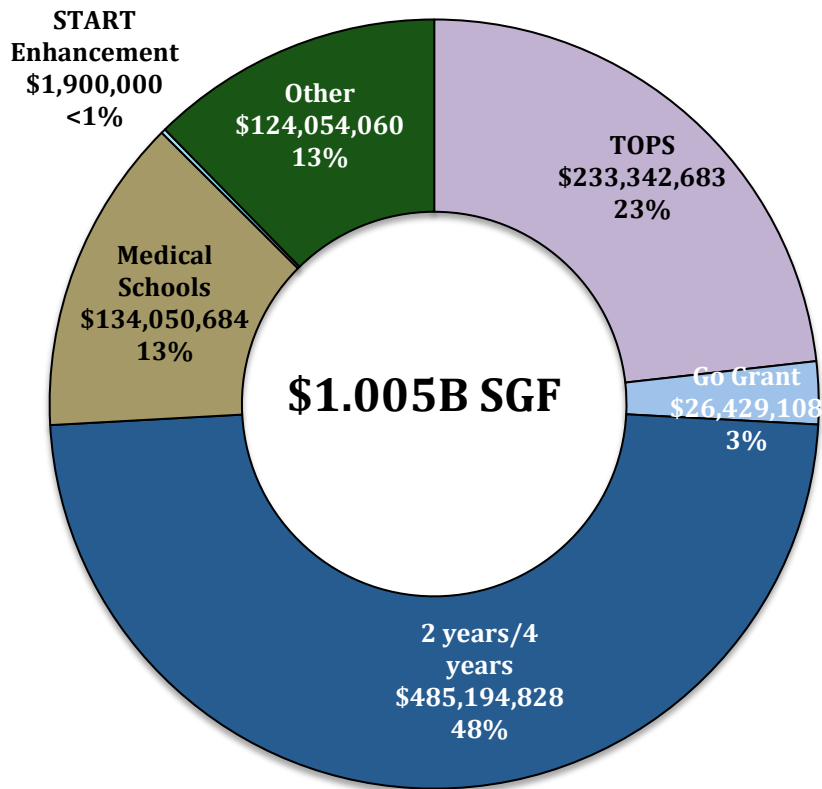


- In FY 09, the legislature appropriated \$1.107 B to the 2-year/4-year institutions.
- Based on the current formula to fully fund the 2-year/4-year Higher Education formula, an additional approximately \$580 M SGF is needed (\$1.1 B).

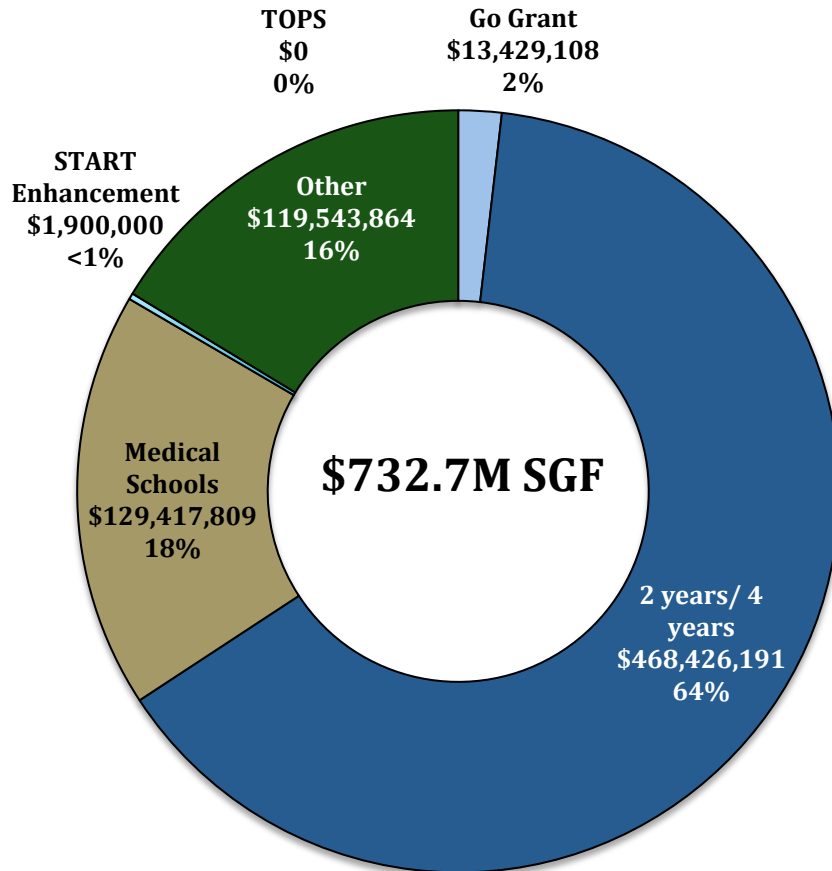


# Higher Education SGF by Entity FY 18 EOB Compared to FY 19 Recommended

**FY 18 EOB**



**FY 19 Recommended**

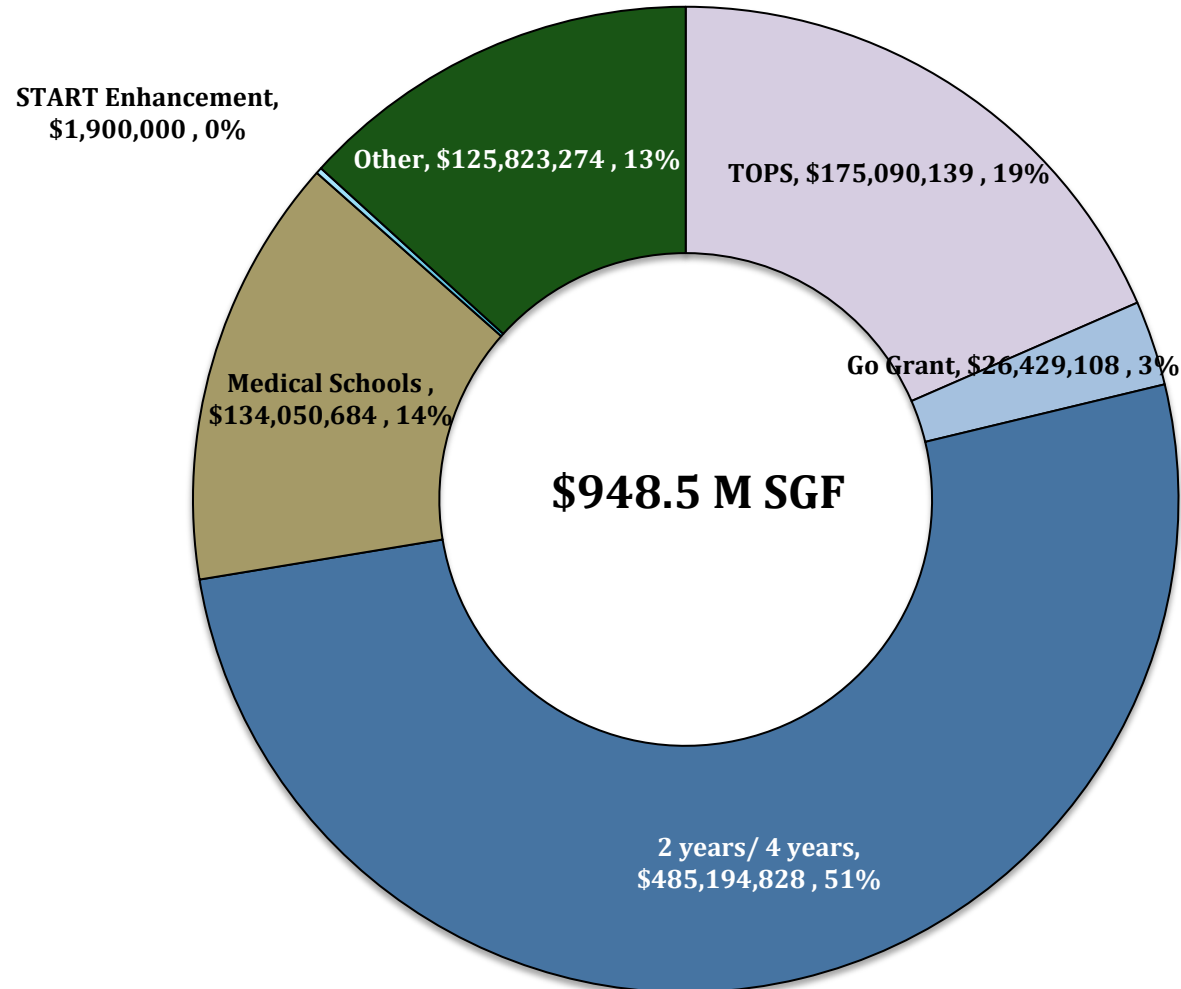


Other Includes: Ag Centers, Boards, LOSFA Program, LUMCON Program, Pennington Biomedical, SU Law Center



# Higher Education SGF by Entity FY 18 EOB Compared to FY 19 Recommended

## FY 19 HB 1 Re-engrossed



Other Includes: Ag Centers, Boards, LOSFA Program, LUMCON Program, Pennington Biomedical, SU Law Center



# Higher Education

## Changes from FY 19 Recommended to FY 19 Re-engrossed

State General Fund	FY 19 Executive Budget	House Appropriation Committee Amendments	TOPS House Floor Amendments	Higher Education House Floor Amendments	HB 1 Re- engrossed
TOPS	\$0	\$233,342,683	(\$58,252,544)	\$0	\$175,090,139
GO Grants	\$13,429,108	\$13,000,000	\$0	\$0	\$26,429,108
2-year/4-year Institutions	\$468,426,191	\$0	\$0	\$16,768,637	\$485,194,828
Specialized Units	\$219,804,010	\$0	\$0	\$7,868,504	\$227,672,514
Other Higher Education	\$31,057,663	\$0	\$0	\$1,043,781	\$32,101,444
Non-Formula Funds	\$0	\$2,000,000	\$0	\$0	\$2,000,000
<b>TOTAL</b>	<b>\$732,716,972</b>	<b>\$248,342,683</b>	<b>(\$58,252,544)</b>	<b>\$25,680,922</b>	<b>\$948,488,033</b>

### HB 1 Re-engrossed, Page 127, lines 34 through 52

34 Payable out of the State General Fund (Direct) to  
 35 the Board of Regents Program for distribution,  
 36 fifty percent to public and private four-year  
 37 universities based on each institution's prior year  
 38 degree production in science, technology,  
 39 engineering, and math (STEM) programs and fifty  
 40 percent to public two-year, community, and  
 41 technical colleges based on each institution's prior  
 42 year degree and certificate production in fields  
 43 required for four-star or five-star jobs, as defined  
 44 by the Louisiana Workforce Commission's  
 45 Louisiana Star Jobs program or its successors,  
 46 only upon the certification by the postsecondary  
 47 education management board on behalf of the  
 48 receiving public postsecondary education  
 49 institution that a match of no less than  
 50 twenty-five percent of the amount of funding to  
 51 be distributed has been guaranteed by a private  
 52 entity

\$ 2,000,000

### Other adopted House Amendments Include:

- Tuition & fee budget authority realignment that results in a net fees & self-generated revenue authority increase in the amount of **\$426,864** for the LCTCS.
- Decrease in dedicated funds from the Tobacco Tax Health Care Fund in the total amount of **\$180,840** due to changes in the adopted revenue forecast.





# Higher Education HB 1 Re-engrossed

TOPS - \$175,090,139  
Go Grants - \$26,429,108  
START earnings enhancement - \$1,900,000  
**Total = \$203,419,247**

	SGF	IAT	FSGR	Dedications	Federal	TOTAL
Board of Regents (BoR)	\$745,068,786	\$11,167,888	\$2,730,299	\$22,130,000	\$12,172,314	\$793,269,287
BoR - LOSFA Program	\$203,419,247	\$670,998	\$21,450	\$57,980,039	\$47,225,832	\$309,317,566
BoR - LUMCON Program	\$0	\$375,000	\$6,070,000	\$38,636	\$2,934,667	\$9,418,303
BoR - LUMCON Auxiliary	\$0	\$0	\$3,030,000	\$0	\$1,100,000	\$4,130,000
Baton Rouge CC	\$0	\$0	\$22,900,000	\$745,816	\$0	\$23,645,816
Bossier Parish CC	\$0	\$0	\$23,000,000	\$378,322	\$0	\$23,378,322
Central LA Tech. CC	\$0	\$0	\$4,750,000	\$337,807	\$0	\$5,087,807
Delgado CC	\$0	\$0	\$50,870,000	\$1,584,504	\$0	\$52,454,504
L.E. Fletcher Tech. CC	\$0	\$0	\$6,500,000	\$130,727	\$0	\$6,630,727
LCTC BOS	\$0	\$0	\$0	\$10,000,000	\$0	\$10,000,000
LCTCS Online	\$0	\$0	\$0	\$0	\$0	\$0
Louisiana Delta CC	\$0	\$0	\$9,970,000	\$402,157	\$0	\$10,372,157
Louisiana Tech. College	\$0	\$0	\$2,730,000	\$456,128	\$0	\$3,186,128
Nunez CC	\$0	\$0	\$6,100,000	\$145,966	\$0	\$6,245,966
Northshore Tech. CC	\$0	\$0	\$8,900,000	\$223,816	\$0	\$9,123,816
River Parishes CC	\$0	\$0	\$7,000,000	\$137,730	\$0	\$7,137,730
South Louisiana CC	\$0	\$0	\$18,250,000	\$651,561	\$0	\$18,901,561
Sowela Technical CC	\$0	\$0	\$9,600,000	\$769,679	\$0	\$10,369,679
LSU Ag Center	\$0	\$0	\$6,807,967	\$4,210,579	\$13,018,275	\$24,036,821
LSU Alexandria	\$0	\$0	\$16,391,127	\$267,407	\$0	\$16,658,534
LSU A&M	\$0	\$7,472,774	\$413,816,716	\$13,083,936	\$0	\$434,373,426
LSU Eunice	\$0	\$0	\$9,328,383	\$248,891	\$0	\$9,577,274
LSU HSC - NO	\$0	\$0	\$60,996,024	\$4,116,350	\$0	\$65,112,374
LSU HSC - S	\$0	\$0	\$21,409,079	\$7,209,587	\$0	\$28,618,666
LSU Shreveport	\$0	\$0	\$25,794,397	\$629,390	\$0	\$26,423,787
Pennington	\$0	\$0	\$845,561	\$93,864	\$0	\$939,425
Southern Ag. Ctr.	\$0	\$0	\$0	\$1,805,414	\$3,654,209	\$5,459,623
Southern BR A&M	\$0	\$2,998,233	\$52,689,631	\$1,849,219	\$0	\$57,537,083
Southern Law	\$0	\$0	\$9,541,075	\$201,881	\$0	\$9,742,956
Southern N.O.	\$0	\$0	\$13,658,083	\$578,577	\$0	\$14,236,660
Southern S'port	\$0	\$0	\$9,558,838	\$189,181	\$0	\$9,748,019
SU BOS	\$0	\$0	\$0	\$0	\$0	\$0
Grambling State	\$0	\$0	\$32,970,043	\$1,040,456	\$0	\$34,010,499
Louisiana Tech	\$0	\$0	\$103,355,648	\$1,969,279	\$0	\$105,324,927
McNeese State	\$0	\$0	\$48,889,120	\$2,822,667	\$0	\$51,711,787
Nicholls State	\$0	\$0	\$41,817,731	\$1,115,040	\$0	\$42,932,771
Northwestern State	\$0	\$74,923	\$57,551,127	\$1,300,807	\$0	\$58,926,857
Southeastern La	\$0	\$0	\$90,372,099	\$2,061,293	\$0	\$92,433,392
UL BOS	\$0	\$0	\$2,414,000	\$0	\$0	\$2,414,000
Univ. of La - Lafayette	\$0	\$0	\$126,939,525	\$2,655,243	\$0	\$129,594,768
Univ. of La - Monroe	\$0	\$0	\$66,227,710	\$1,879,249	\$0	\$68,106,959
Univ. of New Orleans	\$0	\$0	\$69,746,142	\$2,548,228	\$0	\$72,294,370
<b>TOTAL</b>	<b>\$948,488,033</b>	<b>\$22,759,816</b>	<b>\$1,463,541,775</b>	<b>\$147,989,426</b>	<b>\$80,105,297</b>	<b>\$2,662,884,347</b>



# Schedule 19 — Higher Education

## **TAYLOR OPPORTUNITY PROGRAM FOR STUDENTS (TOPS)**

### **GO GRANT PROGRAM**

- **TOPS** – FY 19 Executive Budget, 100% SGF Reduction of \$233.3 M
- **Go Grants** – FY 19 Executive Budget, 50% SGF Reduction of \$13 M



# Taylor Opportunity Program for Students (TOPS) Go Grants

## TOPS

	FY15 Actual	FY 16 Actual	FY 17 Actual	FY18 EOB	FY19 Recommended	HB 1 Re-engrossed
SGF	\$164,954,070	\$193,090,899	\$149,116,312	\$233,342,683	\$0	\$175,090,139
TOPS Fund	\$85,041,360	\$62,398,192	\$52,510,370	\$57,898,234	\$57,920,039	\$57,920,039
<b>Total</b>	<b>\$249,995,430</b>	<b>\$255,489,091</b>	<b>\$201,626,682</b>	<b>\$291,240,917</b>	<b>\$57,920,039</b>	<b>\$233,010,178</b>

- Total FY 16 aggregate awards = \$284.5M
- Institutions required to absorb the \$29 M difference

- Program only funded at 70% level in FY 17
- Total FY 17 awards = \$291.9 M

- Program funded at 20% level for FY 19 in Executive Budget
- Total Projected FY 19 expenditures = \$294.6 M

Fully funded for FY 18

### Adopted House Amendments

- Restore \$13M SGF reduction to Go Grants
- Provides \$175.1M SGF to TOPS (80% funding level)

## Go Grants

	FY15 Actual	FY16 Actual	FY17 Actual	FY18 EOB	FY19 Recommended	HB 1 Re-engrossed
SGF	\$24,642,823	\$26,463,555	\$26,403,268	\$26,429,108	\$13,429,108	\$26,429,108

50% reduction for FY 19



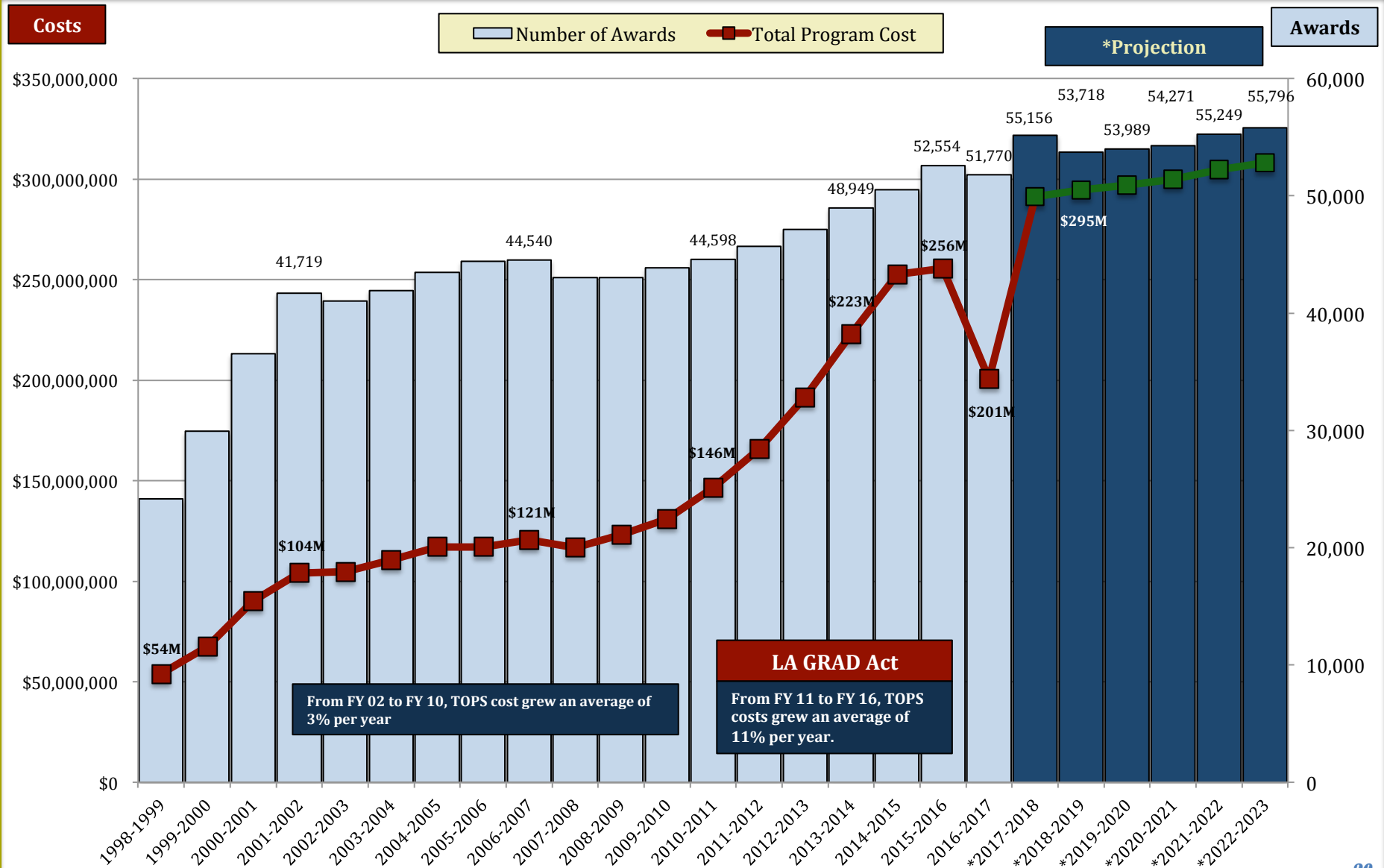
# FY 19, Different Funding Levels

## Taylor Opportunity Program for Students (TOPS)

FY 19 EXECUTIVE BUDGET 20% PROGRAM FUNDING LEVEL				HB 1 RE-ENGROSSED 80% PROGRAM FUNDING LEVEL				
Institution	Annual TOPS Award, Full Funded Level	Estimated Annual TOPS Award @ FY 19 Executive Budget Level	Estimated PRO-RATA Ratio @ FY 19 Executive Budget Level	Institution	Annual TOPS Award, Full Funded Level	Estimated Annual TOPS Award @ FY 19 HB 1 Reengrossed	Estimated PRO-RATA Ratio @ FY 19 HB 1 Re-engrossed Level	Funding Level Change from Executive Budget to HB 1 Re-engrossed
LSU Alexandria	\$4,894.25	\$954.38	19.5%	LSU Alexandria	\$4,894.25	\$3,904.14	79.8%	\$2,949.76
LSU A&M	\$7,462.98	\$1,455.28	19.5%	LSU A&M	\$7,462.98	\$5,953.22	79.8%	\$4,497.94
LSU Eunice	\$2,710.64	\$528.58	19.5%	LSU Eunice	\$2,710.64	\$2,162.28	79.8%	\$1,633.70
LSU Shreveport	\$5,372.29	\$1,047.60	19.5%	LSU Shreveport	\$5,372.29	\$4,285.48	79.8%	\$3,237.88
LSU NOLA Allied Health	\$7,673.22	\$1,496.28	19.5%	LSU NOLA Allied Health	\$7,673.22	\$6,120.94	79.8%	\$4,624.66
LSU NOLA Nursing	\$5,611.50	\$1,094.24	19.5%	LSU NOLA Nursing	\$5,611.50	\$4,476.30	79.8%	\$3,382.06
LSU NOLA Dental Hygiene	\$5,517.00	\$1,075.82	19.5%	LSU NOLA Dental Hygiene	\$5,517.00	\$4,400.92	79.8%	\$3,325.10
LSU NOLA Dental Lab Tech	\$4,987.26	\$972.52	19.5%	LSU NOLA Dental Lab Tech	\$4,987.26	\$3,978.34	79.8%	\$3,005.82
LSUMC Shreveport	\$7,182.56	\$1,400.60	19.5%	LSUMC Shreveport	\$7,182.56	\$5,729.54	79.8%	\$4,328.94
Southern Baton Rouge	\$4,973.10	\$969.76	19.5%	Southern Baton Rouge	\$4,973.10	\$3,967.04	79.8%	\$2,997.28
Southern New Orleans	\$4,236.21	\$826.06	19.5%	Southern New Orleans	\$4,236.21	\$3,379.22	79.8%	\$2,553.16
Southern Shreveport	\$2,618.00	\$510.52	19.5%	Southern Shreveport	\$2,618.00	\$2,088.38	79.8%	\$1,577.86
Grambling	\$5,139.75	\$1,002.26	19.5%	Grambling	\$5,139.75	\$4,099.98	79.8%	\$3,097.72
LA Tech	\$5,553.00	\$1,082.85	19.5%	LA Tech	\$5,553.00	\$4,429.62	79.8%	\$3,346.77
McNeese	\$5,147.34	\$1,003.74	19.5%	McNeese	\$5,147.34	\$4,106.04	79.8%	\$3,102.30
Nicholls	\$4,922.28	\$959.84	19.5%	Nicholls	\$4,922.28	\$3,926.50	79.8%	\$2,966.66
Northwestern	\$5,180.00	\$1,010.10	19.5%	Northwestern	\$5,180.00	\$4,132.10	79.8%	\$3,122.00
Southeastern	\$5,652.21	\$1,102.18	19.5%	Southeastern	\$5,652.21	\$4,508.78	79.8%	\$3,406.60
University of LA - Lafayette	\$5,406.96	\$1,054.36	19.5%	University of LA - Lafayette	\$5,406.96	\$4,313.14	79.8%	\$3,258.78
University of LA - Monroe	\$5,787.52	\$1,128.58	19.5%	University of LA - Monroe	\$5,787.52	\$4,616.70	79.8%	\$3,488.12
University of New Orleans	\$6,090.37	\$1,187.62	19.5%	University of New Orleans	\$6,090.37	\$4,858.30	79.8%	\$3,670.68
Baton Rouge CC	\$3,086.08	\$601.80	19.5%	Baton Rouge CC	\$3,086.08	\$2,461.78	79.8%	\$1,859.98
Bossier Parish CC	\$3,214.15	\$626.76	19.5%	Bossier Parish CC	\$3,214.15	\$2,563.94	79.8%	\$1,937.18
Central LA TCC	\$3,214.15	\$626.76	19.5%	Central LA TCC	\$3,214.15	\$2,563.94	79.8%	\$1,937.18
Delgado CC	\$3,214.15	\$626.76	19.5%	Delgado CC	\$3,214.15	\$2,563.94	79.8%	\$1,937.18
L E Fletcher TCC	\$3,214.15	\$626.76	19.5%	L E Fletcher TCC	\$3,214.15	\$2,563.94	79.8%	\$1,937.18
LA Delta CC	\$3,214.15	\$626.76	19.5%	LA Delta CC	\$3,214.15	\$2,563.94	79.8%	\$1,937.18
Northshore Tech CC	\$3,214.15	\$626.76	19.5%	Northshore Tech CC	\$3,214.15	\$2,563.94	79.8%	\$1,937.18
Northwest LA TC	\$2,081.20	\$405.84	19.5%	Northwest LA TC	\$2,081.20	\$1,660.18	79.8%	\$1,254.34
Nunez CC	\$3,214.15	\$626.76	19.5%	Nunez CC	\$3,214.15	\$2,563.94	79.8%	\$1,937.18
River Parishes CC	\$3,214.15	\$626.76	19.5%	River Parishes CC	\$3,214.15	\$2,563.94	79.8%	\$1,937.18
South Central TC	\$2,081.01	\$405.84	19.5%	South Central TC	\$2,081.01	\$1,660.02	79.8%	\$1,254.18
South LA CC	\$3,214.15	\$626.76	19.5%	South LA CC	\$3,214.15	\$2,563.94	79.8%	\$1,937.18
SOWELA Tech CC	\$3,214.15	\$626.76	19.5%	SOWELA Tech CC	\$3,214.15	\$2,563.94	79.8%	\$1,937.18
Private Schools	\$5,718.00	\$1,115.02	19.5%	Private Schools	\$5,718.00	\$4,561.26	79.8%	\$3,446.24



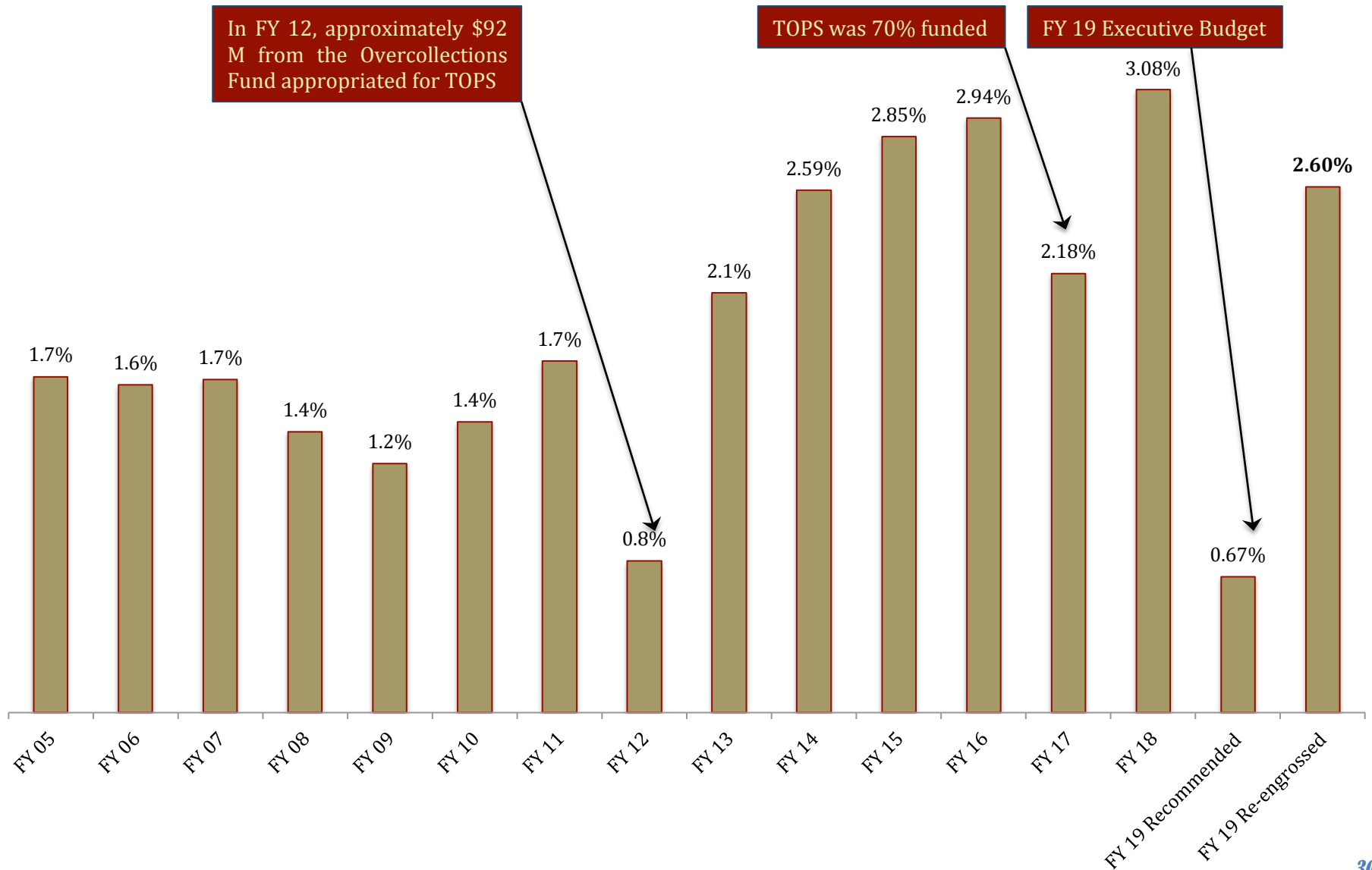
# Taylor Opportunity Program for Students (TOPS) History



Source: Louisiana Office of Student Financial Assistance Program within the Board of Regents

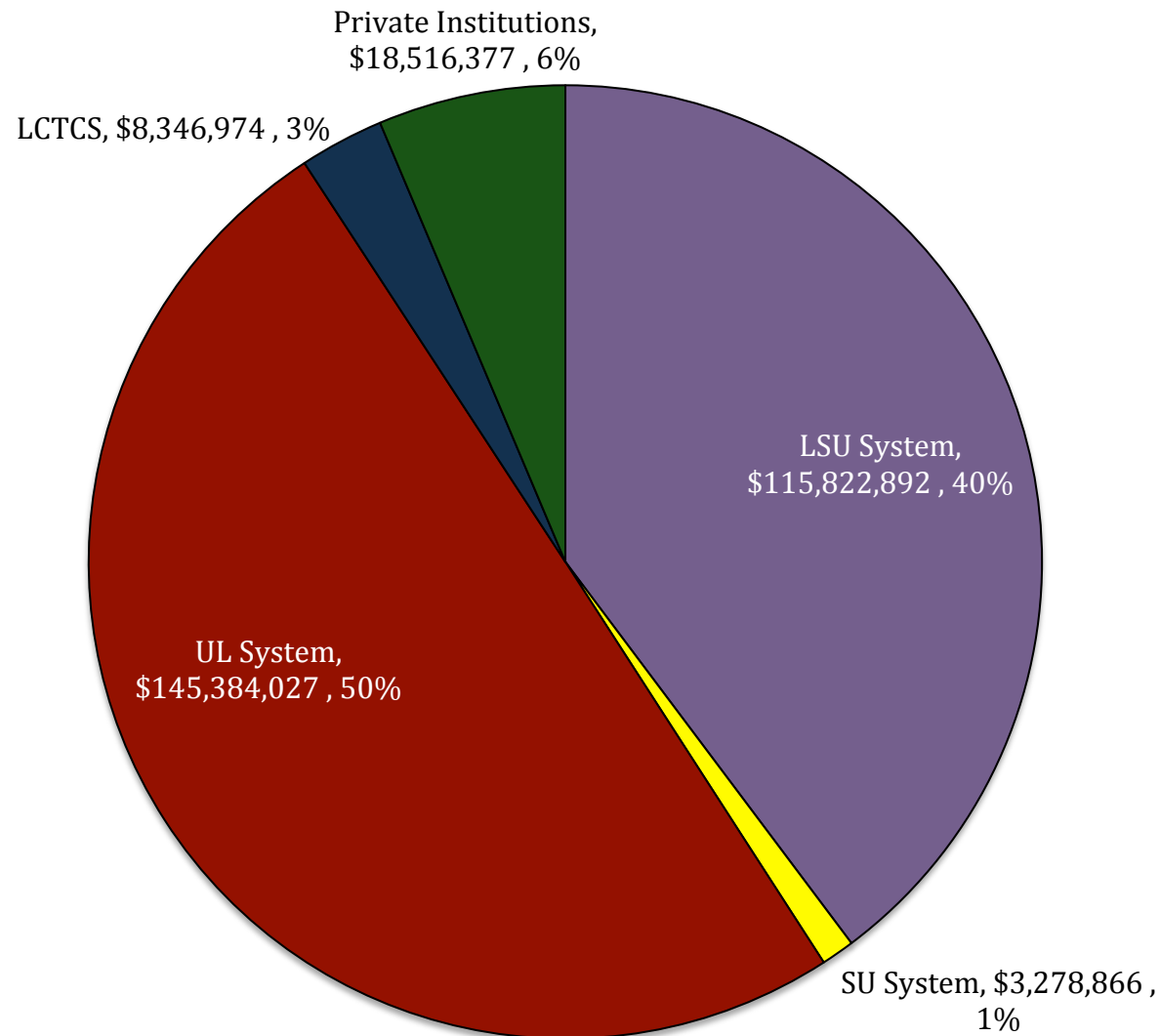


# % of Total State Funds Allocated for TOPS





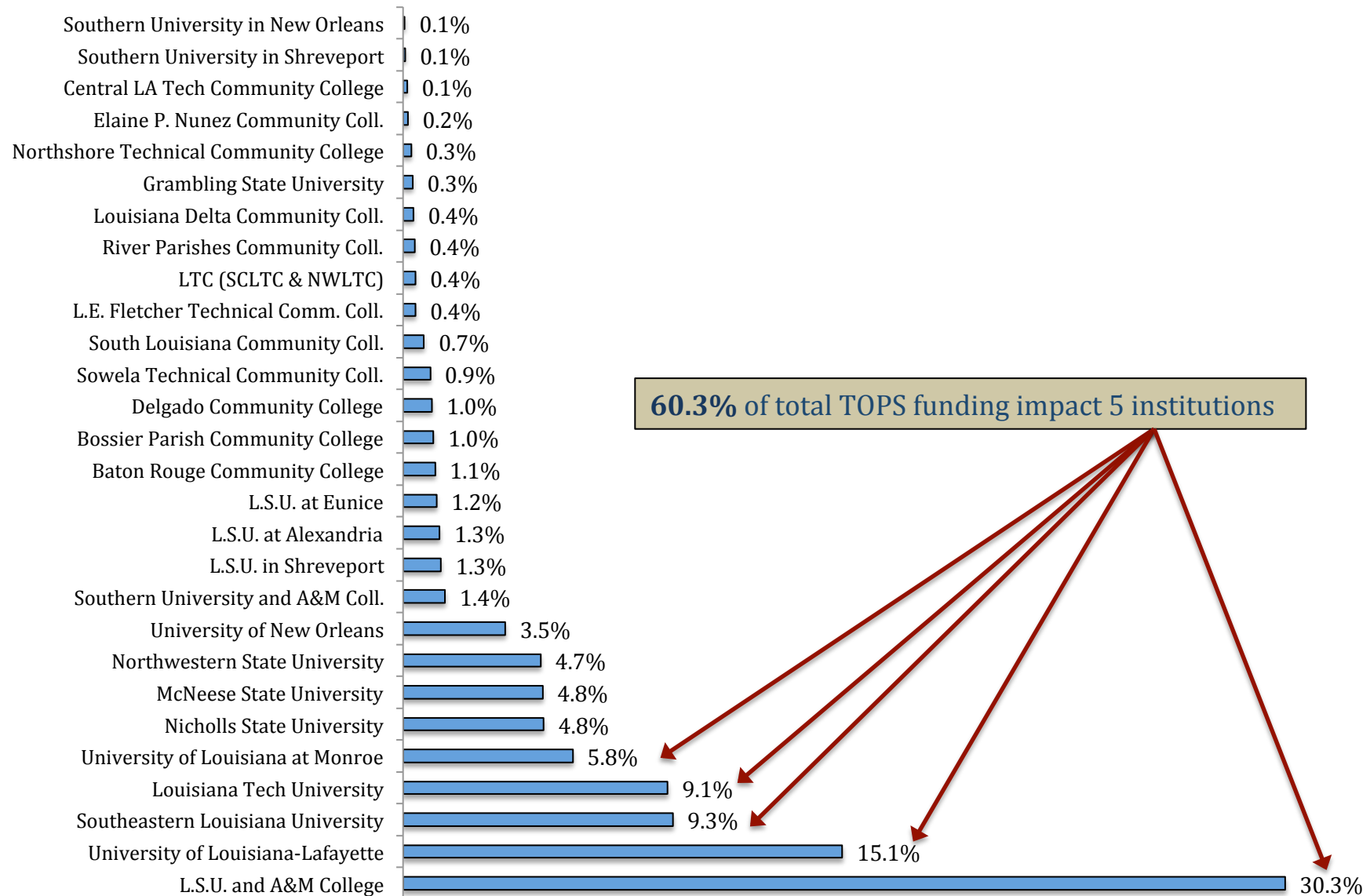
# TOPS AWARD DISTRIBUTION 2016-2017 Academic Year (FY 17)





# FY17 TOPS AWARD DISTRIBUTION

## Pro-Rata Share - 2016-2017

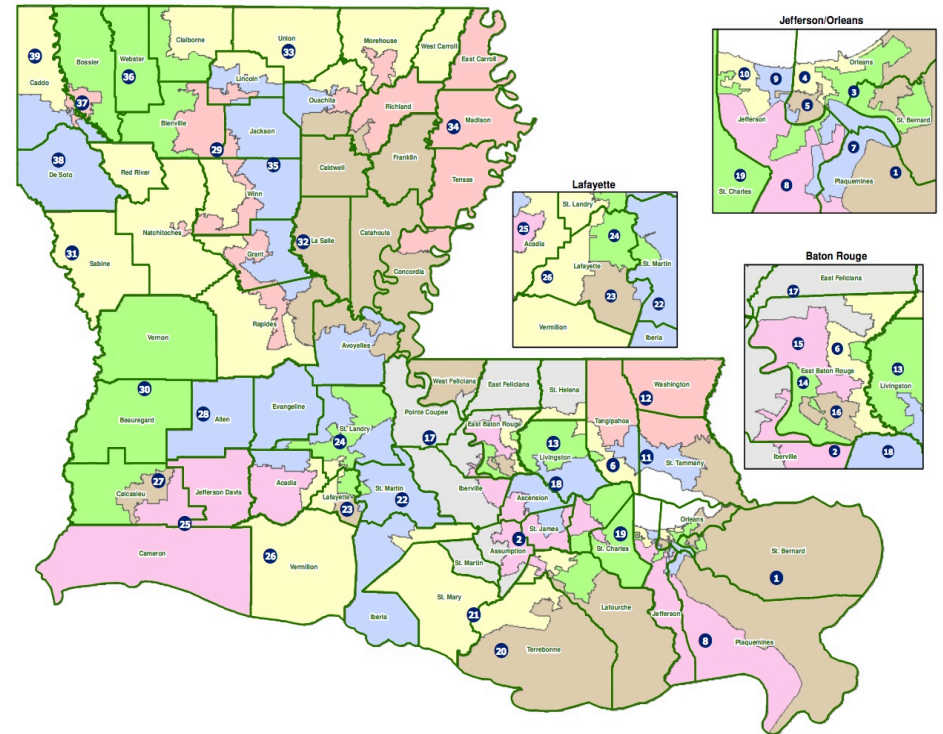






# TOPS Recipients by Senate District Academic Year 2017-2018 (as of January 2018)

Senate District	Opportunity	Performance	Honor	Tech	Total
Senate District 1	647	354	335	28	1,364
Senate District 2	421	192	124	30	767
Senate District 3	484	171	173	31	859
Senate District 4	383	138	201	19	741
Senate District 5	166	57	97	4	324
Senate District 6	669	369	401	31	1,470
Senate District 7	497	215	170	25	907
Senate District 8	647	318	270	30	1,265
Senate District 9	547	271	451	8	1,277
Senate District 10	756	350	436	14	1,556
Senate District 11	962	607	744	18	2,331
Senate District 12	460	235	141	34	870
Senate District 13	708	412	287	35	1,442
Senate District 14	333	146	199	13	691
Senate District 15	452	157	122	15	746
Senate District 16	678	401	642	10	1,731
Senate District 17	500	235	166	40	941
Senate District 18	861	514	478	43	1,896
Senate District 19	658	360	296	55	1,369
Senate District 20	491	305	282	50	1,128
Senate District 21	632	346	304	39	1,321
Senate District 22	560	307	207	30	1,104
Senate District 23	870	516	530	16	1,932
Senate District 24	455	257	147	29	888
Senate District 25	595	397	295	73	1,360
Senate District 26	513	357	229	60	1,159
Senate District 27	500	290	220	46	1,056
Senate District 27	397	254	151	38	840
Senate District 29	351	180	147	17	695
Senate District 30	391	262	187	52	892
Senate District 31	501	352	236	31	1,120
Senate District 32	368	236	143	20	767
Senate District 33	502	347	266	18	1,133
Senate District 34	306	142	79	14	541
Senate District 35	576	422	416	26	1,440
Senate District 36	512	367	282	58	1,219
Senate District 37	425	252	302	27	1,006
Senate District 38	505	274	244	32	1,055
Senate District 39	286	98	68	31	483
Unknown*	2,864	1,565	1,085	219	5,733
<b>TOTAL</b>	<b>23,429</b>	<b>13,028</b>	<b>11,553</b>	<b>1,409</b>	<b>49,419</b>



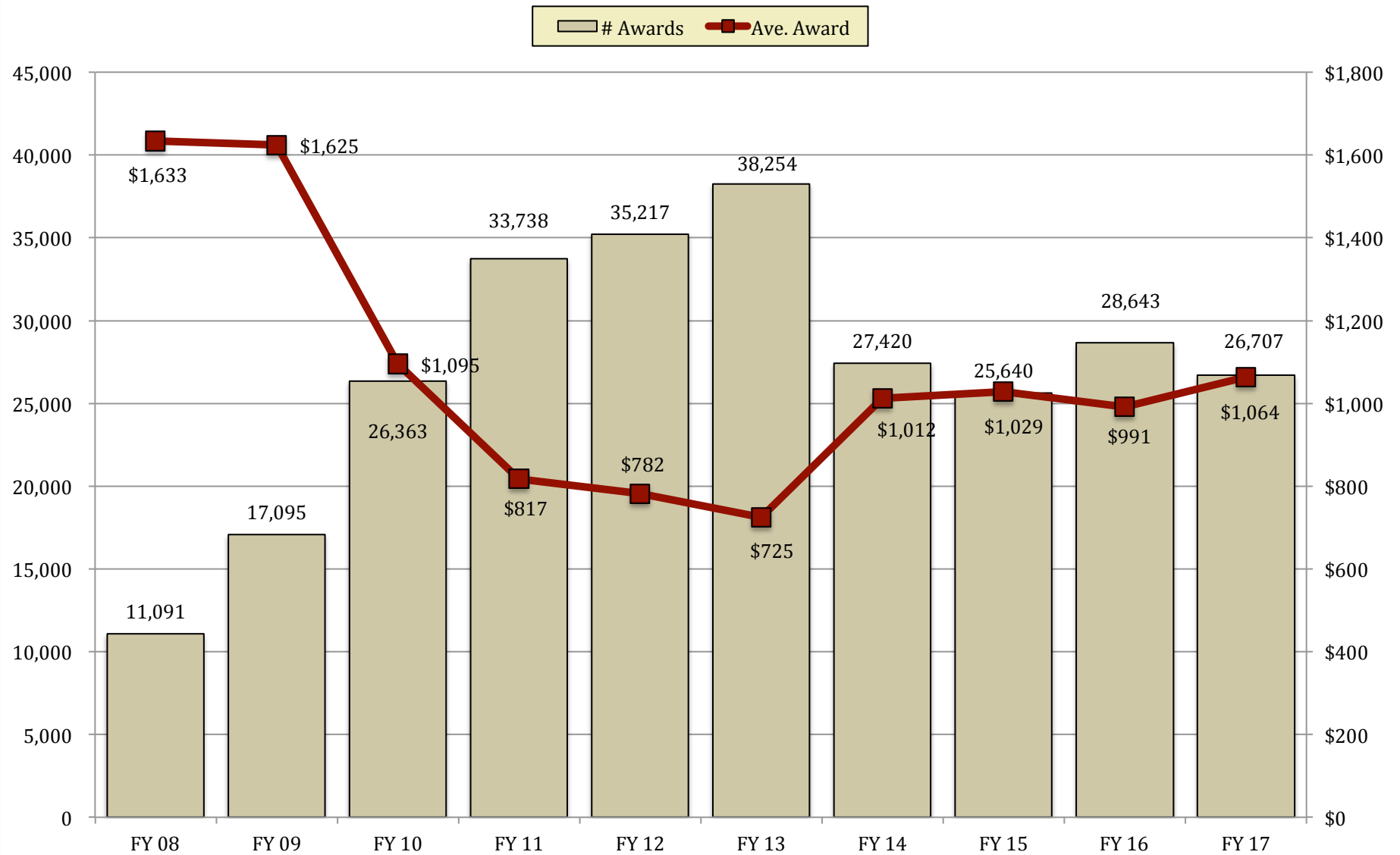
**Source:** TOPS Senate District Data from LOSFA based on residential address as self-reported on FAFSA at eligibility determination.

**\*5,733 recipients have P.O. Box addresses and no residential address**

**Source:** Louisiana Office of Student Financial Assistance Program within the Board of Regents



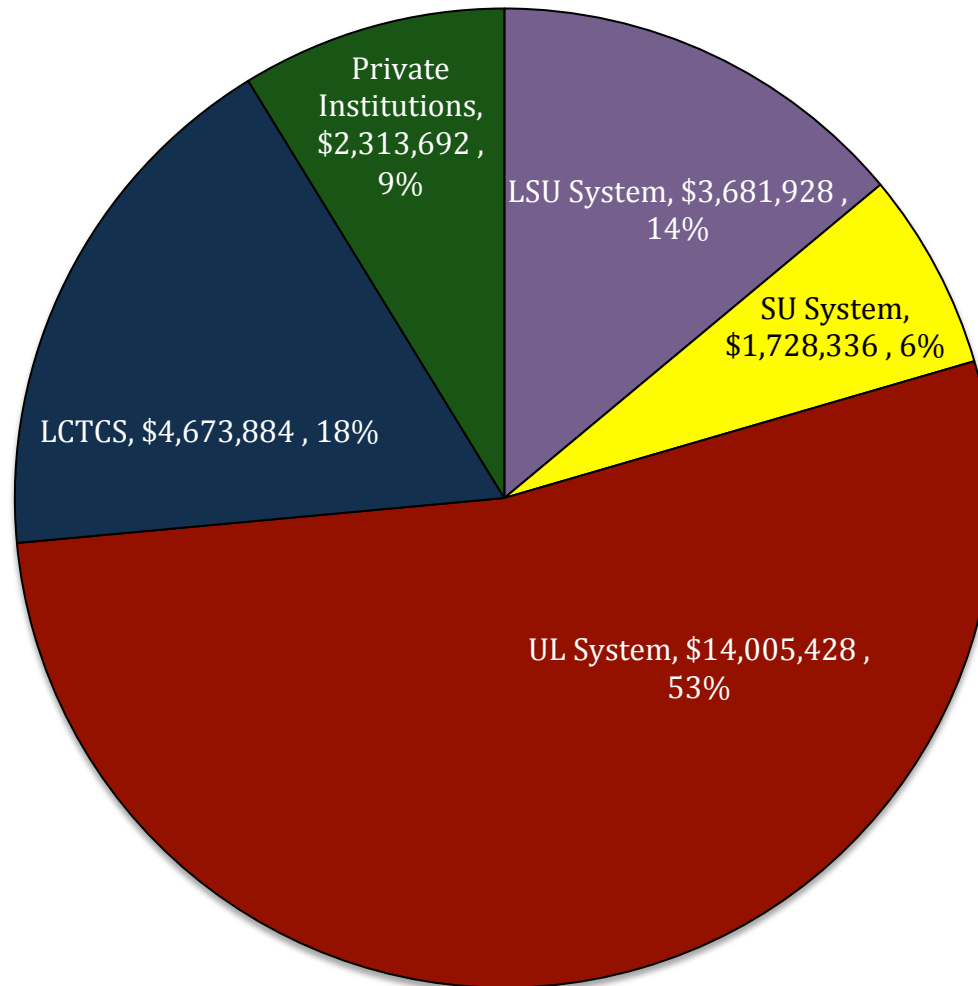
# Go Grant Program History



Source: Louisiana Office of Student Financial Assistance Program within the Board of Regents



## GO GRANT AWARD DISTRIBUTION 2016-2017 Academic Year





## Schedule 19 — Higher Education

### **OTHER HIGHER EDUCATION ISSUES**



## FY 18 Higher Education Restricted/Unrestricted Funds

RESTRICTED REVENUE SOURCE	FY 18 Budgeted Restricted	%
Gifts, Grants, & Contracts	\$525,287,616	22.84%
Other Federal Grants	\$323,933,757	14.08%
Auxiliaries (Excluding Athletics)	\$304,249,178	13.23%
Pell Grants	\$294,962,106	12.83%
Student Fees	\$219,478,806	9.54%
Athletics Other Than Student Fees	\$205,625,503	8.94%
State Grants & Contracts	\$147,464,001	6.41%
Other Self-Generated Funds	\$112,612,409	4.90%
Sales & Services of Educational Activities	\$95,347,193	4.15%
Physician Practice Plans	\$58,629,000	2.55%
Endowment Income	\$10,035,674	0.44%
Federal Program Administration	\$2,249,070	0.10%
<b>TOTAL RESTRICTED</b>	<b>\$2,299,874,313</b>	<b>100.00%</b>

UNRESTRICTED REVENUE SOURCE	FY 18 Budgeted Unrestricted	%
Fees & Self-generated Revenues	\$1,457,186,211	53.63%
State General Fund	\$1,004,971,362	36.98%
Dedicated Funds	\$151,642,910	5.58%
Federal	\$79,903,497	2.94%
Interagency Transfer (IAT)	\$23,645,601	0.87%
<b>TOTAL UNRESTRICTED (HB 1)</b>	<b>\$2,717,349,581</b>	<b>100.00%</b>

Total FY 18 Higher Education	FY 18 Budget	%
Total Unrestricted Revenues (HB 1)	\$2,717,349,581	54.2%
Total Restricted Revenues	\$2,299,874,313	45.8%
<b>Total</b>	<b>\$5,017,223,894</b>	<b>100%</b>

**Unrestricted funds** are resources eligible for any purpose in carrying out the mission, duties and responsibilities of the institution. These funds include state appropriations (SGF, dedicated funds), tuition and fees and other funds not restricted by a donor or grant. **The legislature appropriates unrestricted funds.**

**Restricted funds** are utilized for the operation and support of programs but are restricted by donors, state or federal agencies as to the purposes for which these funds can be expended. These funds are traditionally referred to as "off budget."

**Restricted fund examples include:** student housing, dining services, student union, student health services, parking, athletics, faculty research, residence halls, incumbent worker training program, etc.

**The FY 19 restricted funds expenditure spread will be reported to the Board of Regents in September 2018.**



## Higher Education Other Issues for FY 19

**Tuition Increases** – Due to the expiration of the LA GRAD Act, there are no tuition increases in the current year budget or proposed tuition increases for FY 19. FY 17 was the last year tuition increases were possible under the LA GRAD Act. Therefore, institutions no longer have the authority to raise tuition without legislative approval.

**Fee Autonomy** – Act 293 of 2017 RLS by Representative Broadwater extended the sunset provision of higher education's fee autonomy to June 30, 2020. Previous statute provided for fee autonomy to sunset on June 30, 2017. This fee autonomy has been in place for 3 fiscal years (FY 16, FY 17, FY 18). Act 377 of 2015 originally provided authority for institutions to raise fees.

*See next slide for a listing of all fee increases effective in FY 18*



# Higher Education Fee Increases for FY 18 (Current Year)

INSTITUTION	% Increase	Fee Amount Increase
SU Baton Rouge (Undergraduate)	5.0%	\$480
SU Baton Rouge (Graduate)	5.0%	\$468
SU Law Center (Graduate)	5.0%	\$748
SU New Orleans (Undergraduate)	5.0%	\$322
SU New Orleans (Graduate)	5.0%	\$394
SU Shreveport (Undergraduate)	5.0%	\$54
SU Shreveport (Graduate)	5.0%	\$54
Louisiana Tech University	4.5%	\$136
McNeese State University	4.0%	\$145
Nicholls State University	3.8%	\$143
Northwestern State University	3.5%	\$145
Southeastern Louisiana University	2.5%	\$99
University of Louisiana-Lafayette	4.5%	\$212
University of Louisiana-Monroe	2.4%	\$100
LSU A&M	5.0%	\$270
LSU Law Center	2.4%	\$270
LSU Vet School (student excellence fee)	4.5%	\$600
LSU Vet School (non-resident fee)	2.1%	\$600
LSU A (online program fee)	N/A	\$50/Course
LSU A (per credit hour athletic fee)	N/A	\$4/credit hour
LSU S (Safety Fee)	N/A	\$0.83/credit hour
LSU S (Academic Excellence Fee)	N/A	\$6.67/credit hour
<b>LA Community &amp; Technical College System</b>	<b>0.0%</b>	<b>\$0</b>



FY 19 Executive Budget  
Schedule 19 — Higher Education

**LOUISIANA HIGHER EDUCATION DATA**

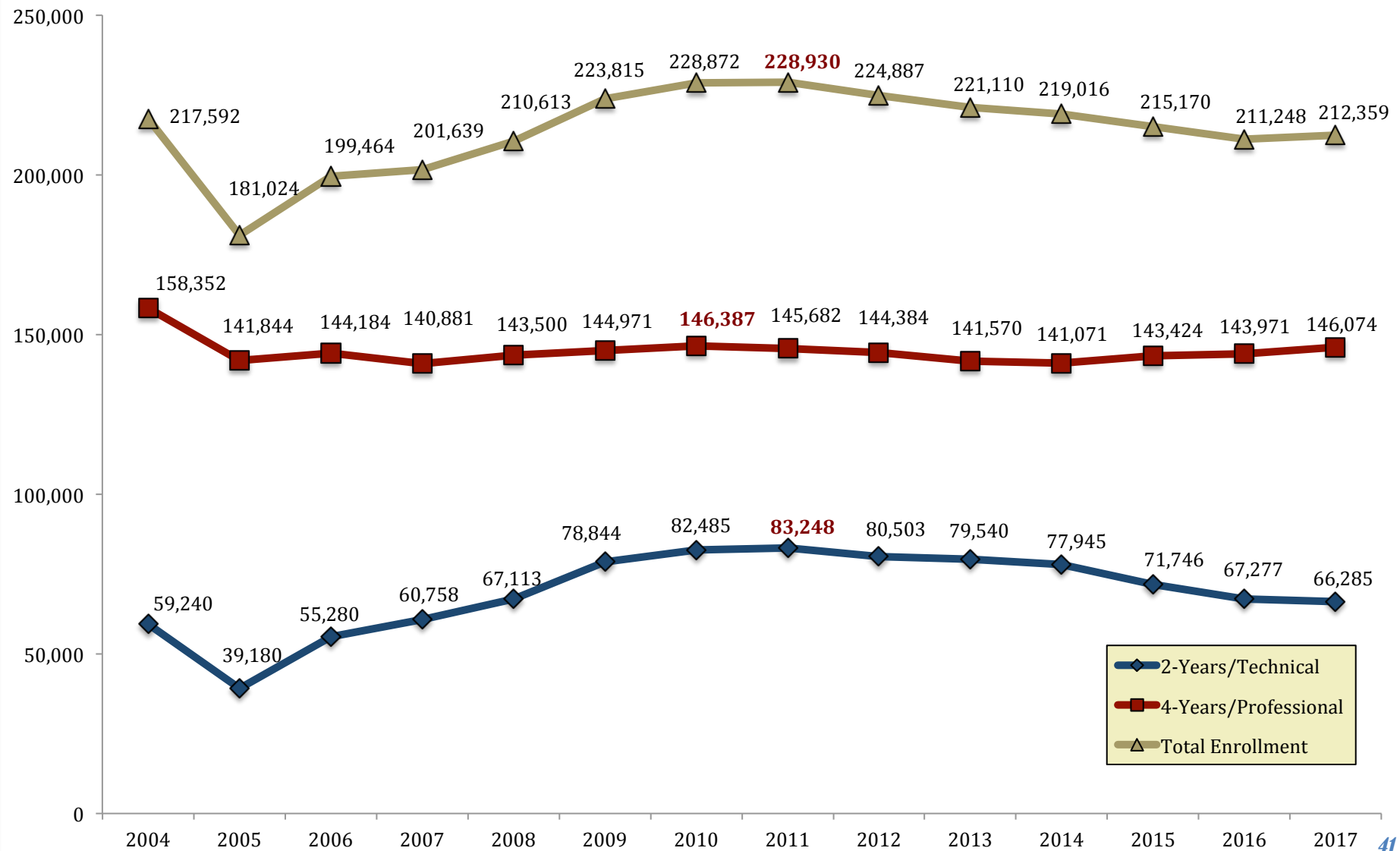
**COMPARISON TO PEERS**





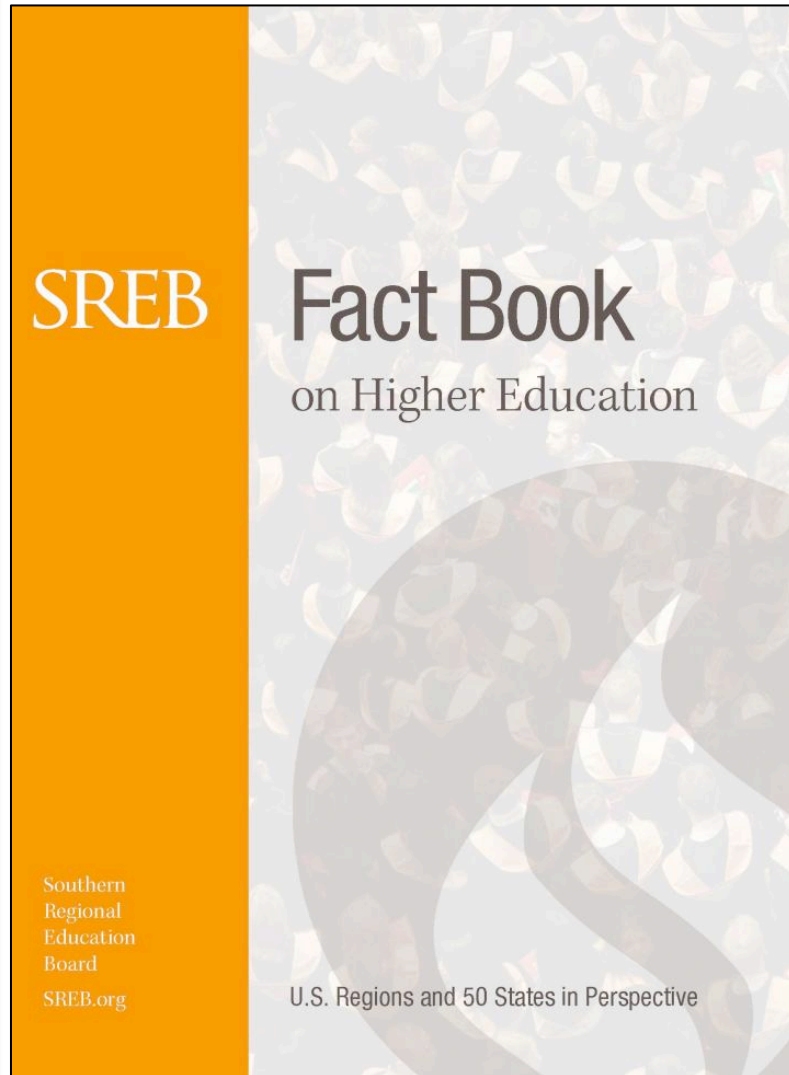
# Public Higher Education Enrollment (Headcount) Fall-to-Fall Comparison

(Source: Board of Regents, 2017-2018 Higher Education Fact Book)





# Schedule 19 — Higher Education



## 2017 Fact Book on Higher Education

*Released November 2017*

### 4-Year Institutions

#### **State Appropriations Per FTE**

- \$3,918 per FTE – Louisiana ranks 15 out of 16 and is \$2,827 per FTE below the SREB per FTE average of \$6,745.

#### **Tuition & Fees Per FTE**

- \$8,207 per FTE – Louisiana ranks 12 out of 16 and is \$1,145 per FTE below the SREB per FTE average of \$9,352.

#### **Total Funding Per FTE**

- \$12,125 per FTE – Louisiana ranks 16 out of 16 and is \$3,972 per FTE below the SREB per FTE average of \$16,097.

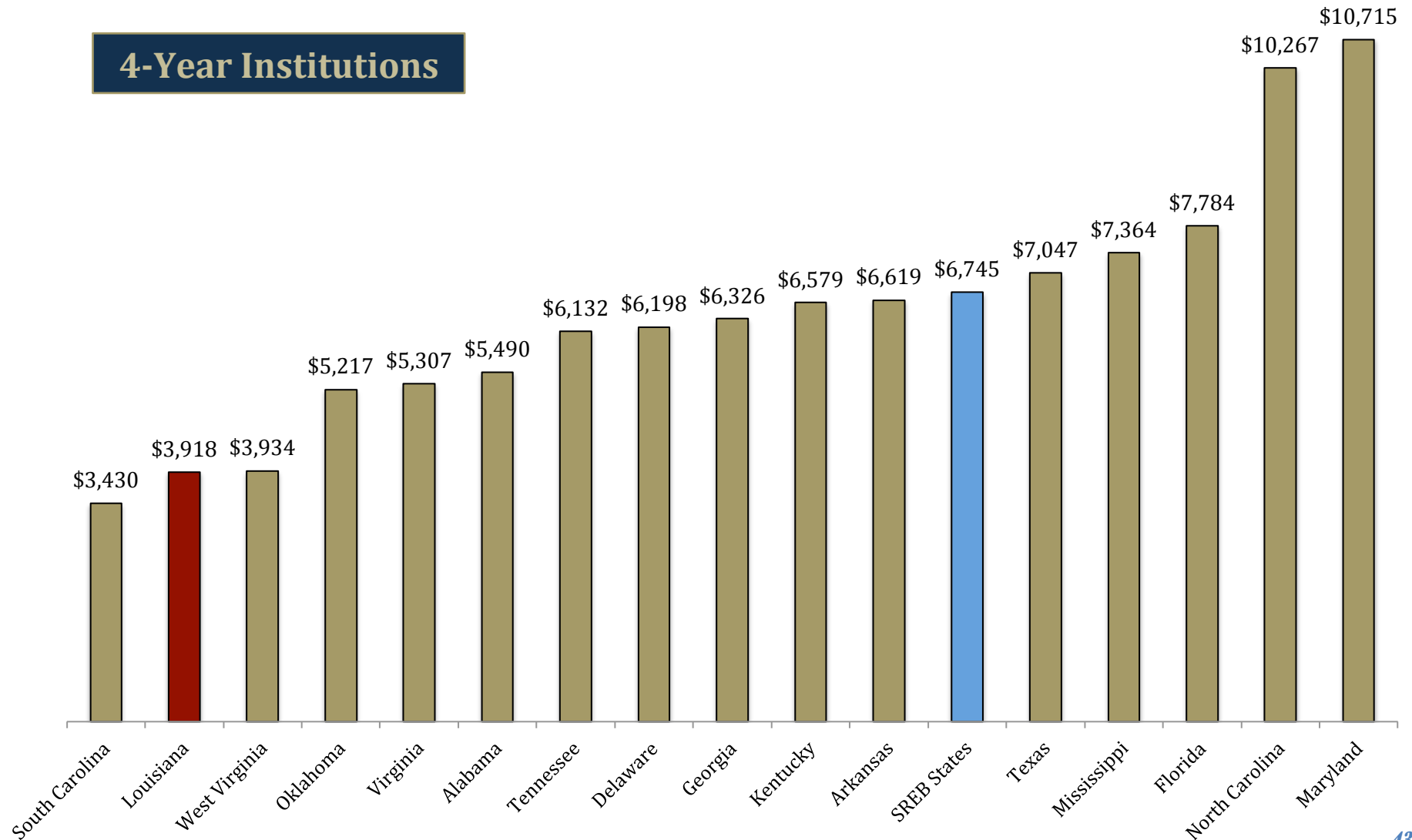
#### **Full Time Faculty Salary Per Year**

- \$67,212 per year – Louisiana ranks 16 out of 16 and is \$11,211 per year below the SREB full-time faculty salary per year average of \$78,423.



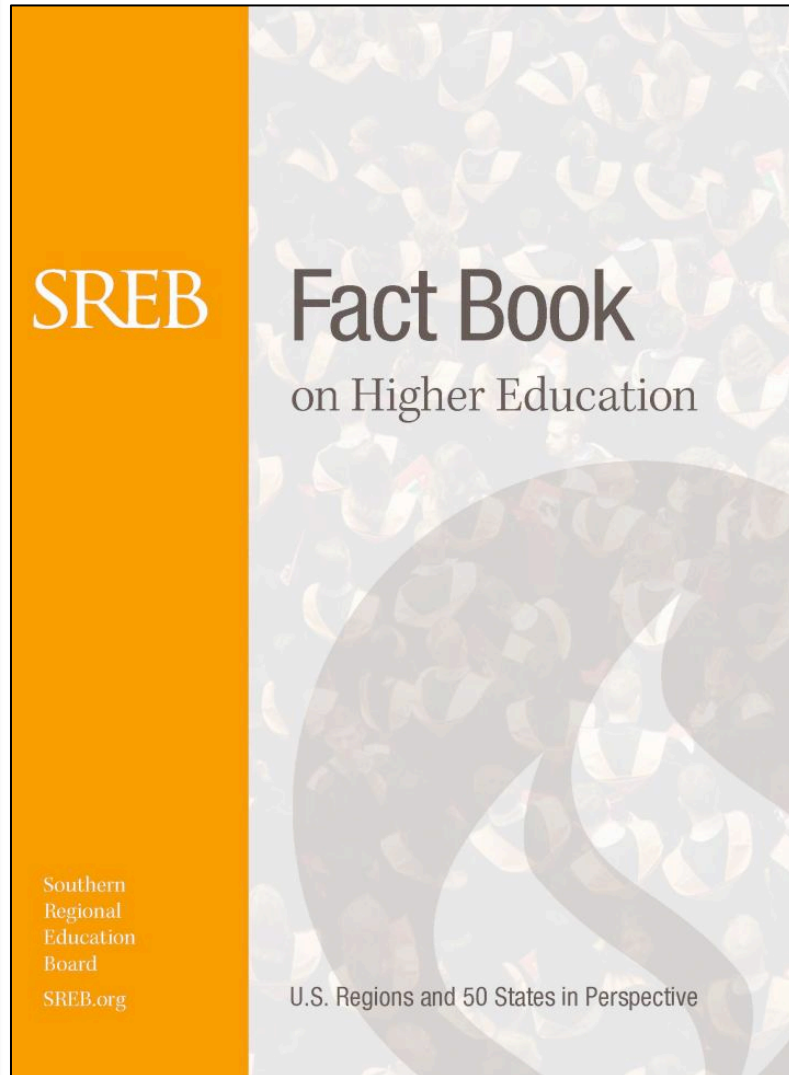
## State Appropriations Per FTE 2015-2016 SREB Fact Book

### 4-Year Institutions





# Schedule 19 — Higher Education



## 2017 Fact Book on Higher Education

*Released November 2017*

### 4-Year Institutions

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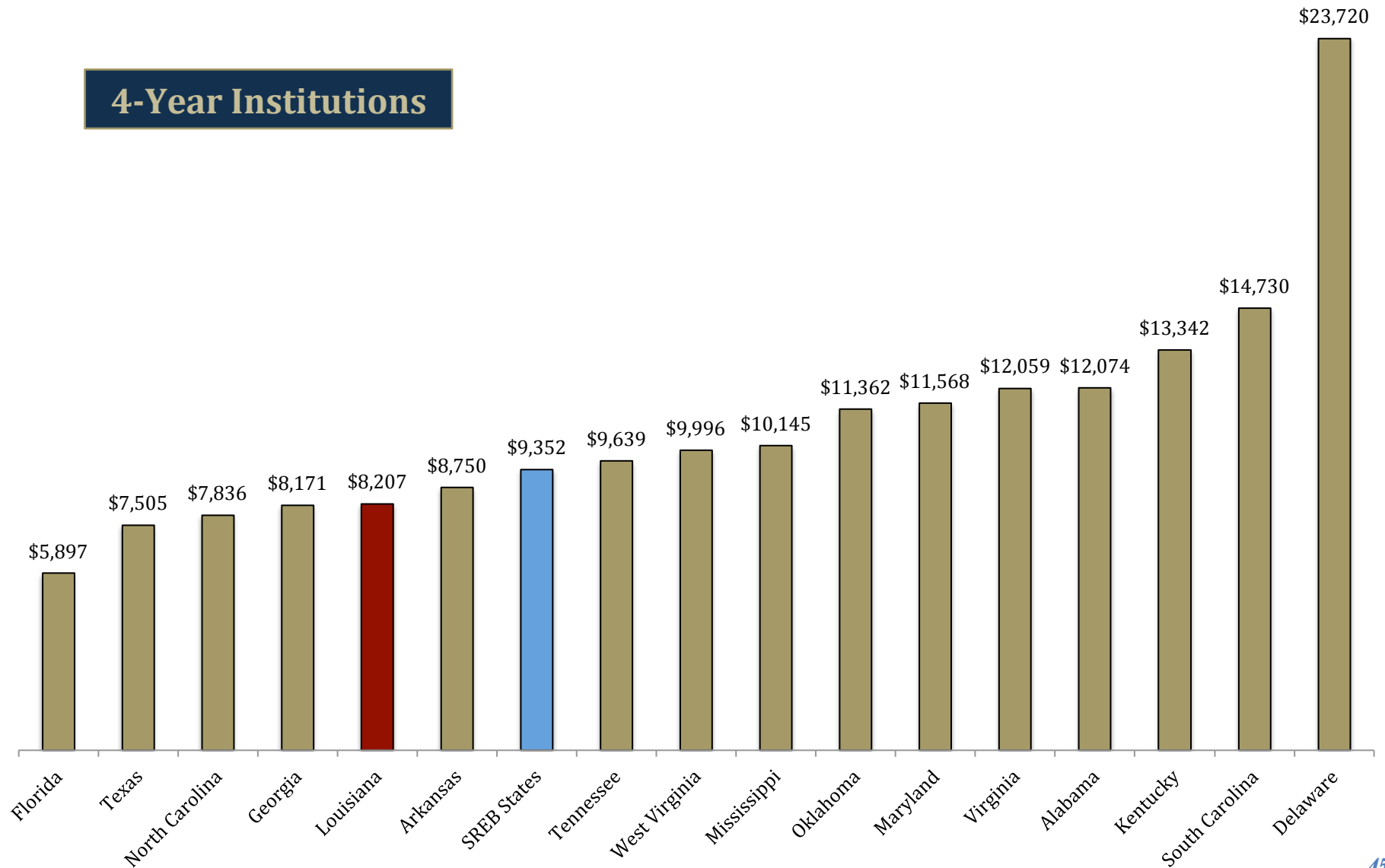
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- \$67,212 per year – Louisiana ranks 16 out of 16 and is \$11,211 per year below the SREB full-time faculty salary per year average of \$78,423.



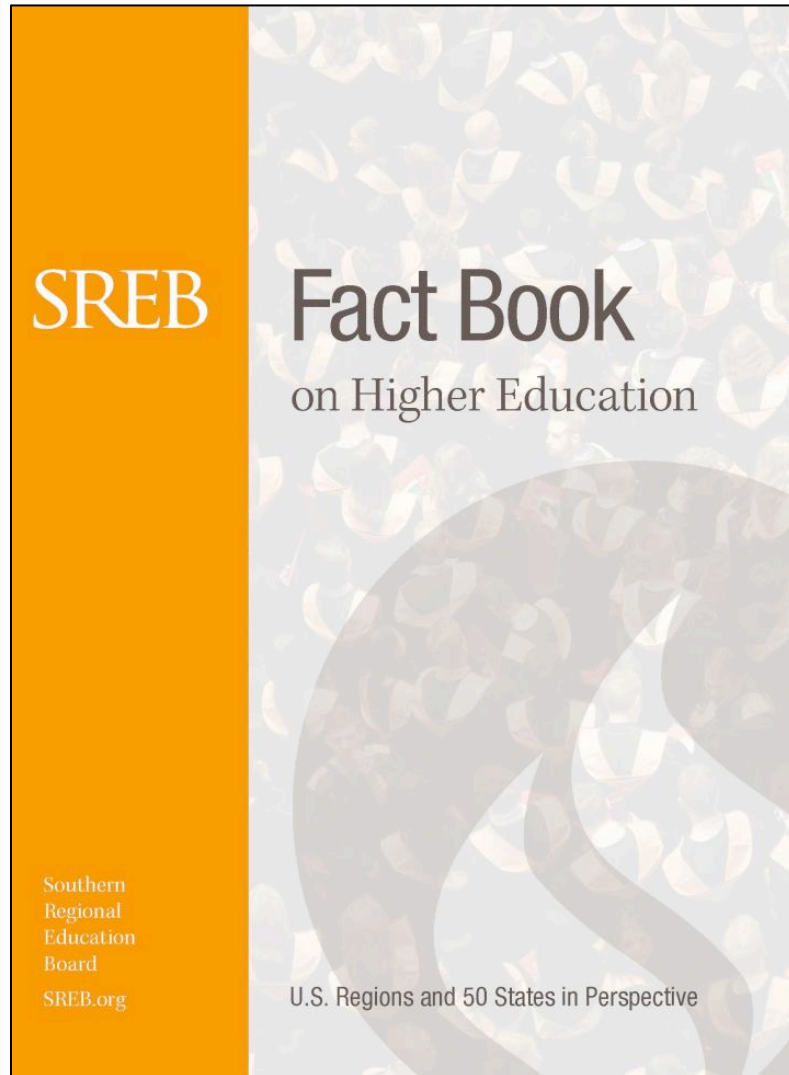
## Tuition & Fees Per FTE 2015-2016 SREB Fact Book

### 4-Year Institutions





# Schedule 19 — Higher Education



## 2017 Fact Book on Higher Education

*Released November 2017*

### 4-Year Institutions

#### State Appropriations Per FTE

- \$3,918 per FTE – Louisiana ranks 15 out of 16 and is \$2,827 per FTE below the SREB per FTE average of \$6,745.

#### Tuition & Fees Per FTE

- \$8,207 per FTE – Louisiana ranks 12 out of 16 and is \$1,145 per FTE below the SREB per FTE average of \$9,352.

#### Total Funding Per FTE

- \$12,125 per FTE – Louisiana ranks 16 out of 16 and is \$3,972 per FTE below the SREB per FTE average of \$16,097.

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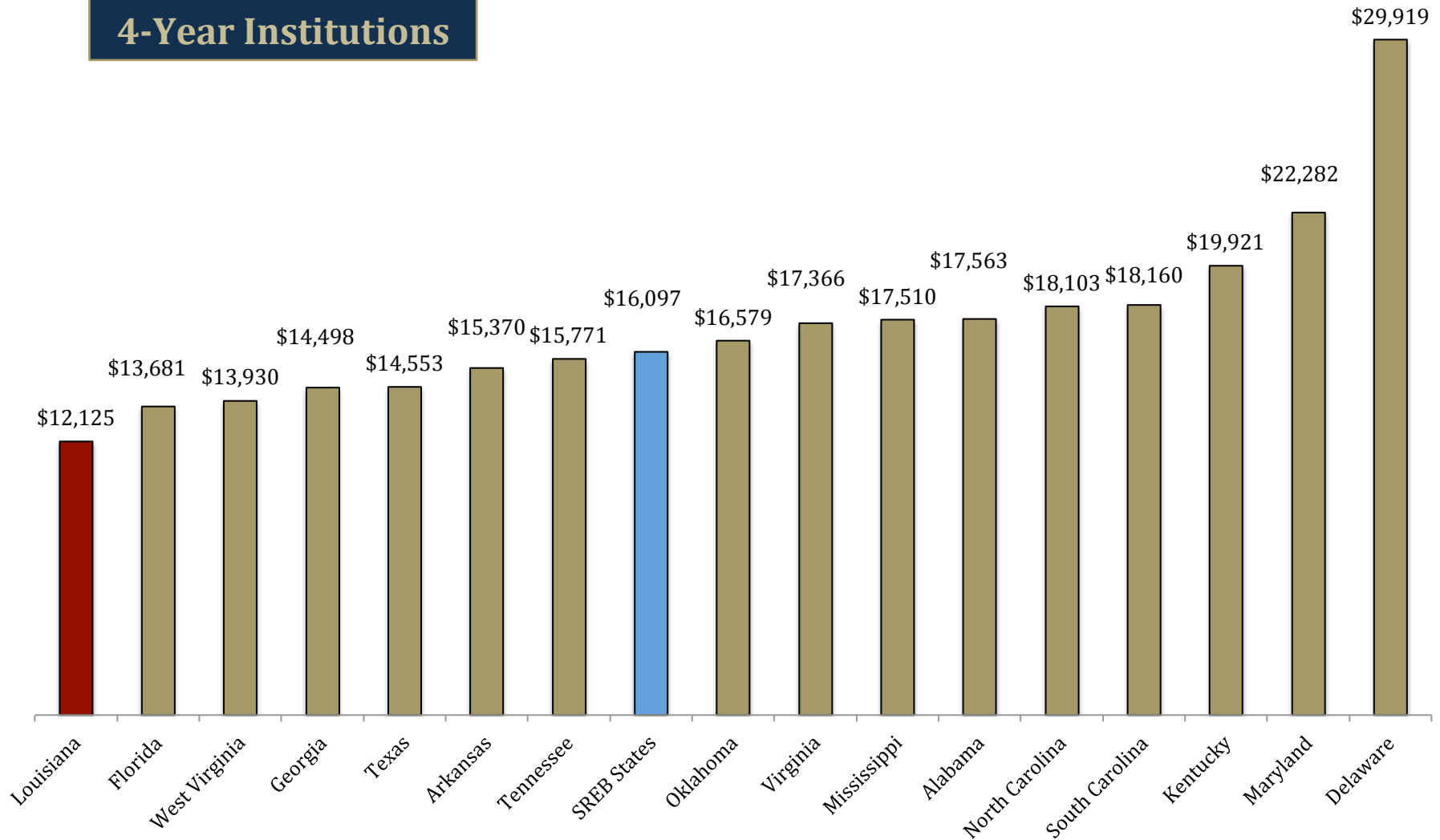
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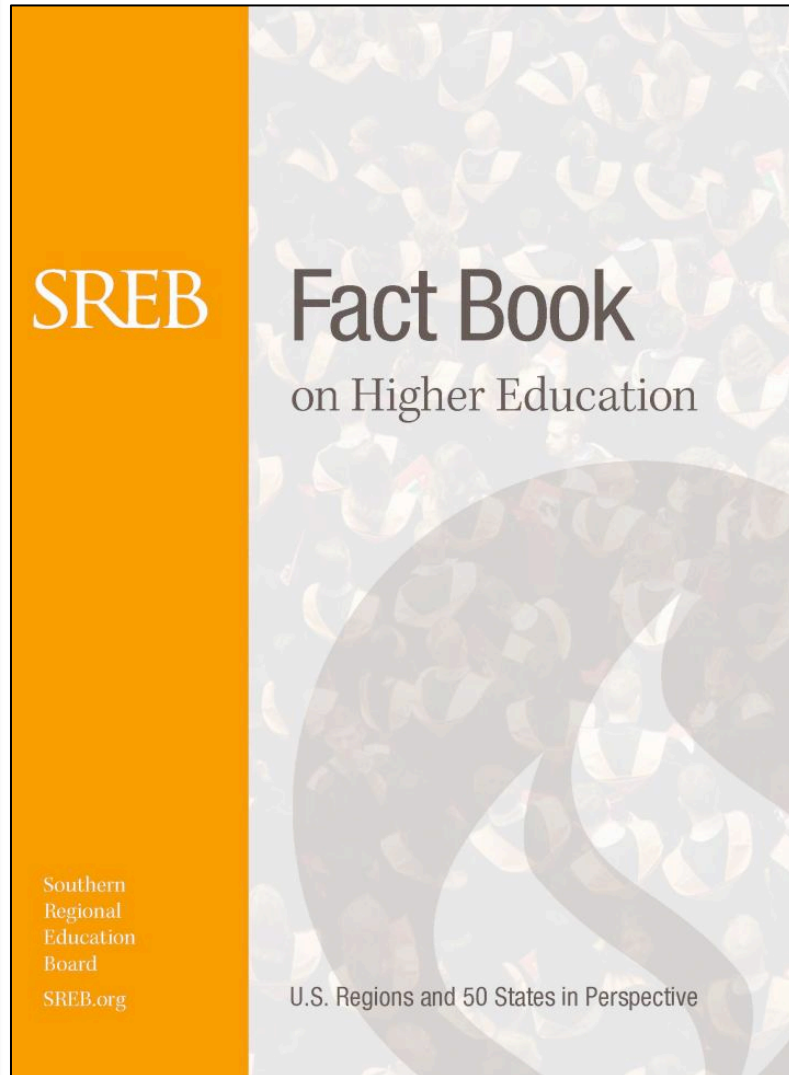
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# Schedule 19 — Higher Education



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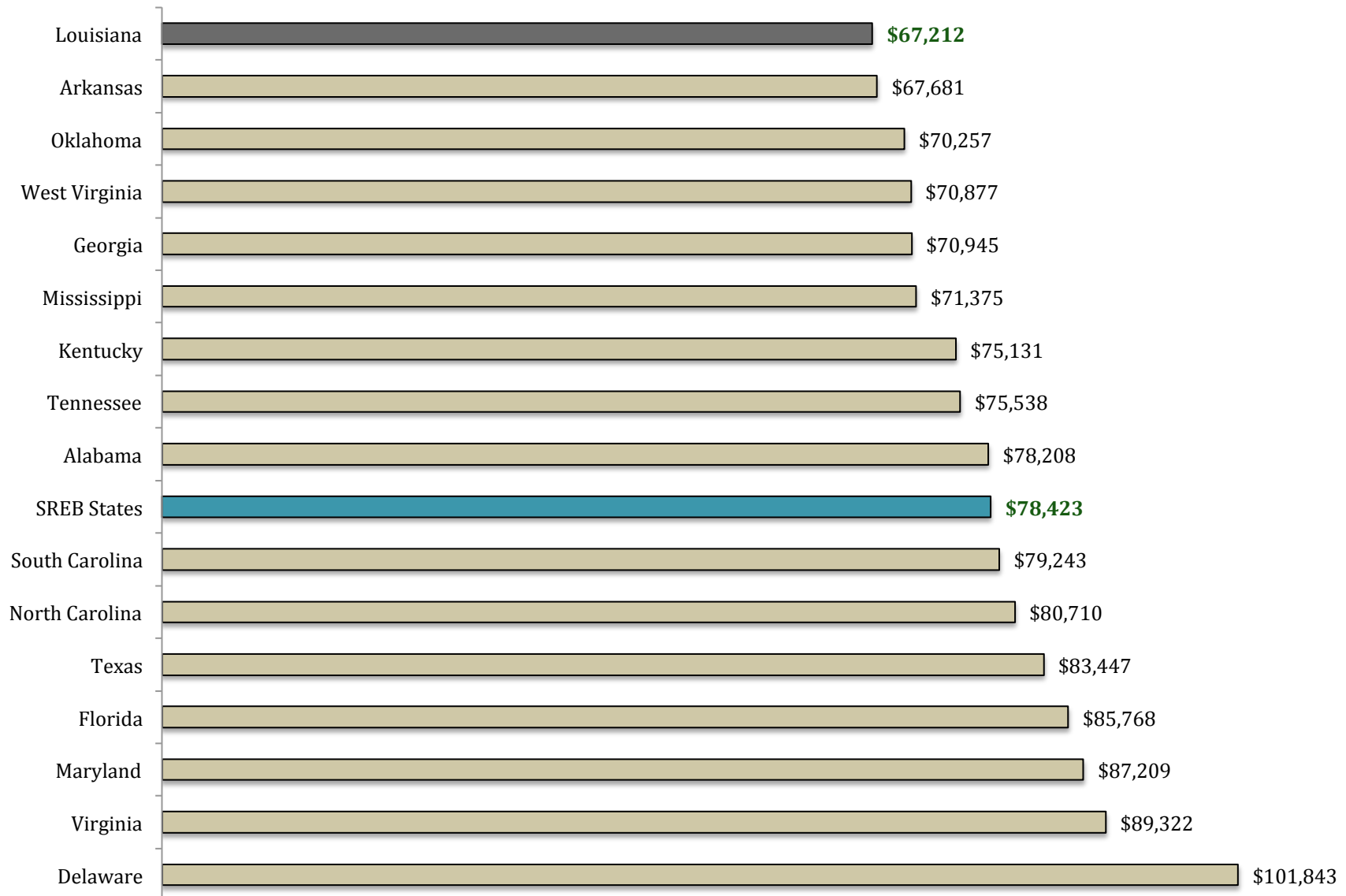
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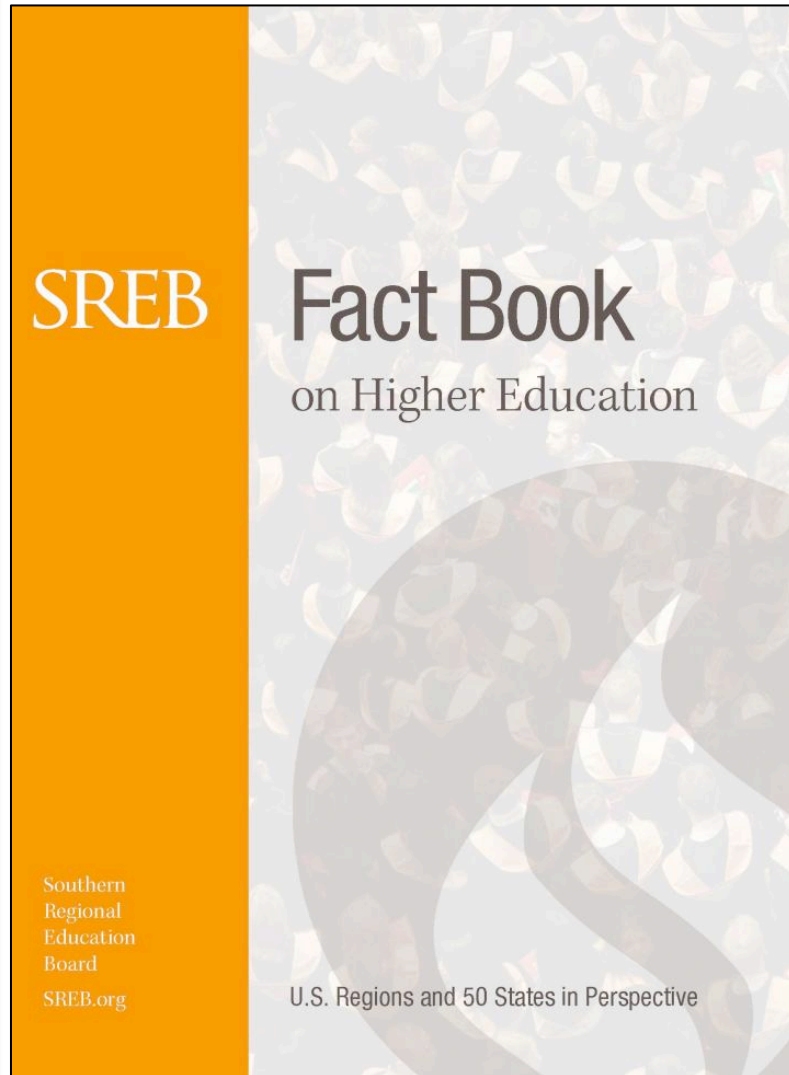


## Average Salaries Full-time Instructional Faculty 4-Year Institutions, 2015-2016 (Source: SREB Data Exchange)





# Schedule 19 — Higher Education



## 2015-2016 Fact Book on Higher Education

*Released November 2017*

### 2-Year Institutions

#### State/Local Appropriations Per FTE

- \$2,479 per FTE – Louisiana ranks 16 out of 16 and is \$2,332 per FTE below the SREB per FTE average of \$4,811.

#### Tuition & Fees Per FTE

- \$4,358 per FTE – Louisiana ranks 8 out of 16 and is \$1,319 per FTE above the SREB per FTE average of \$3,039.

#### Total Funding Per FTE

- \$6,837 per FTE – Louisiana ranks 15 out of 16 and is \$1,012 per FTE below the SREB per FTE average of \$7,849.

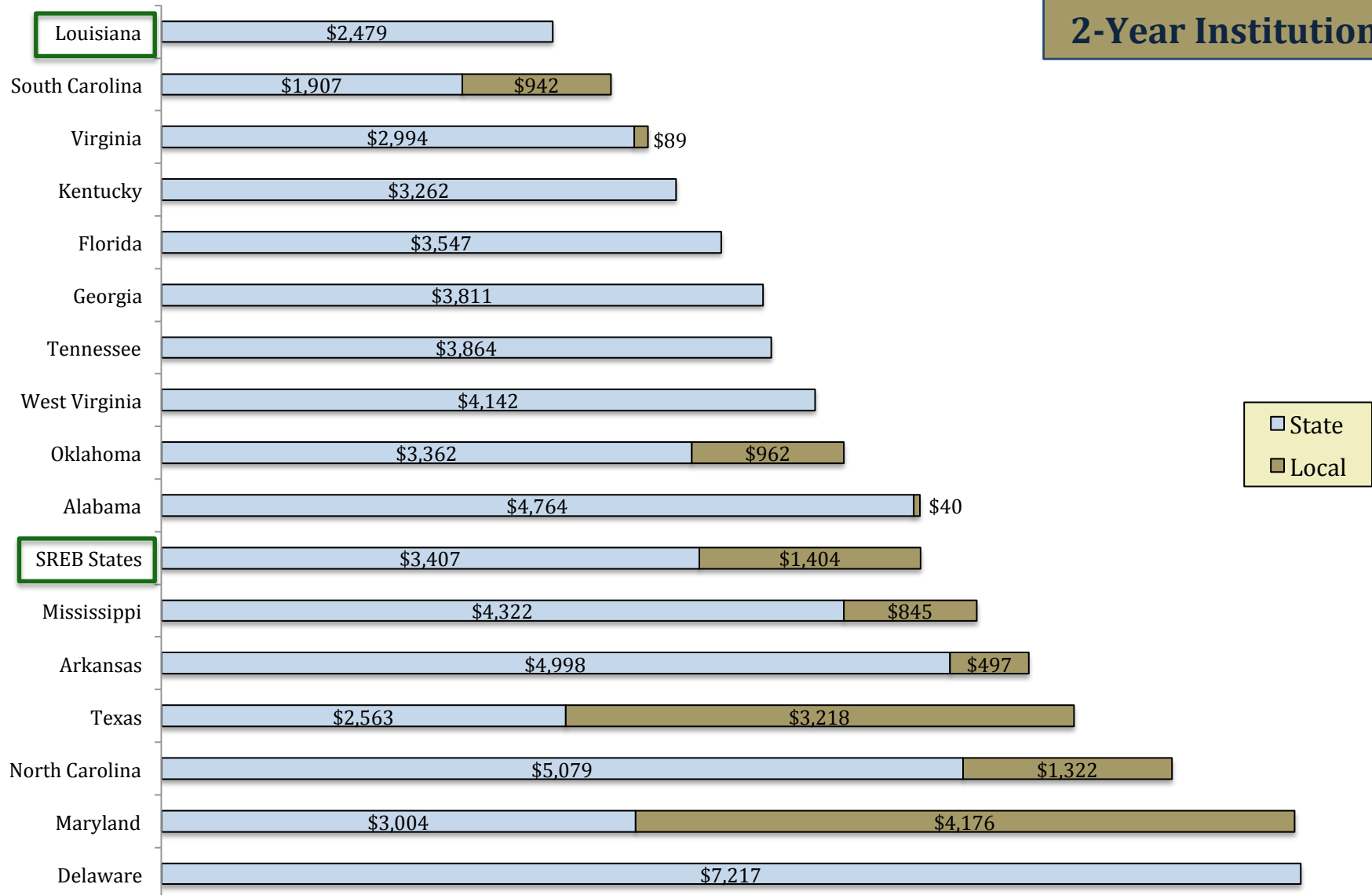
#### Full-Time Faculty Salaries Per Year

- \$44,152 per year – Louisiana ranks 15 out of 16 and \$6,843 per year below the SREB full-time faculty salary per year average of \$50,995.



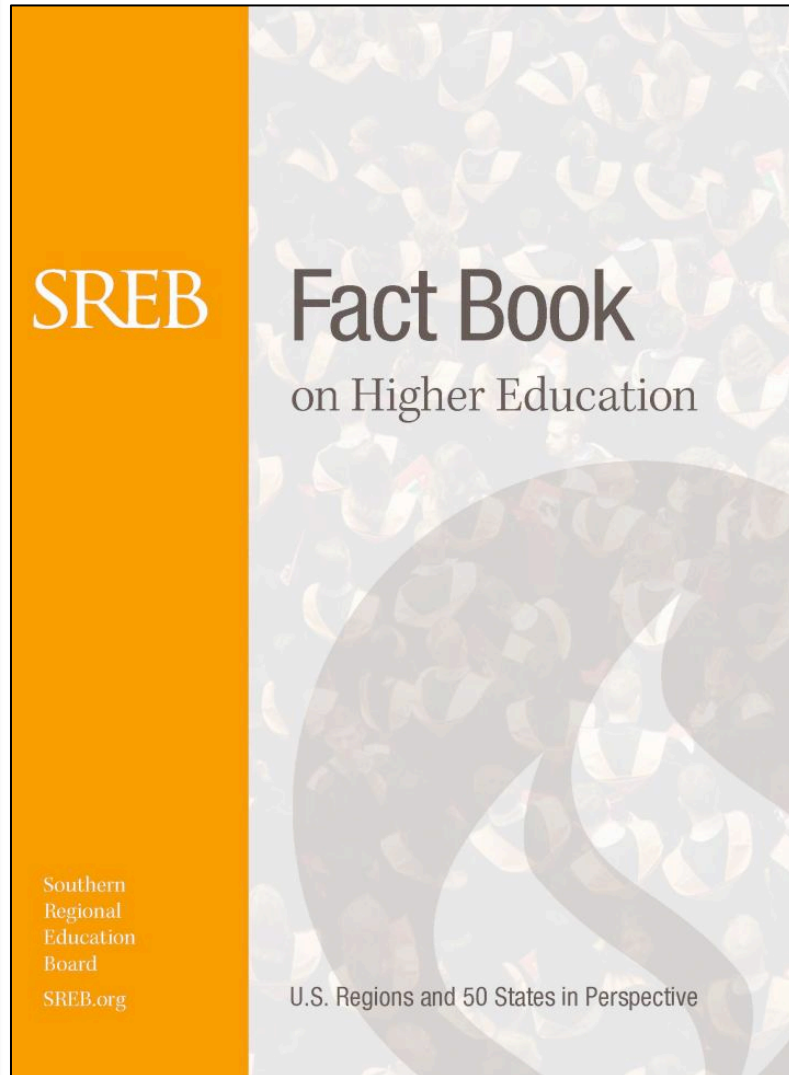
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# Schedule 19 — Higher Education



## 2015-2016 Fact Book on Higher Education

*Released November 2017*

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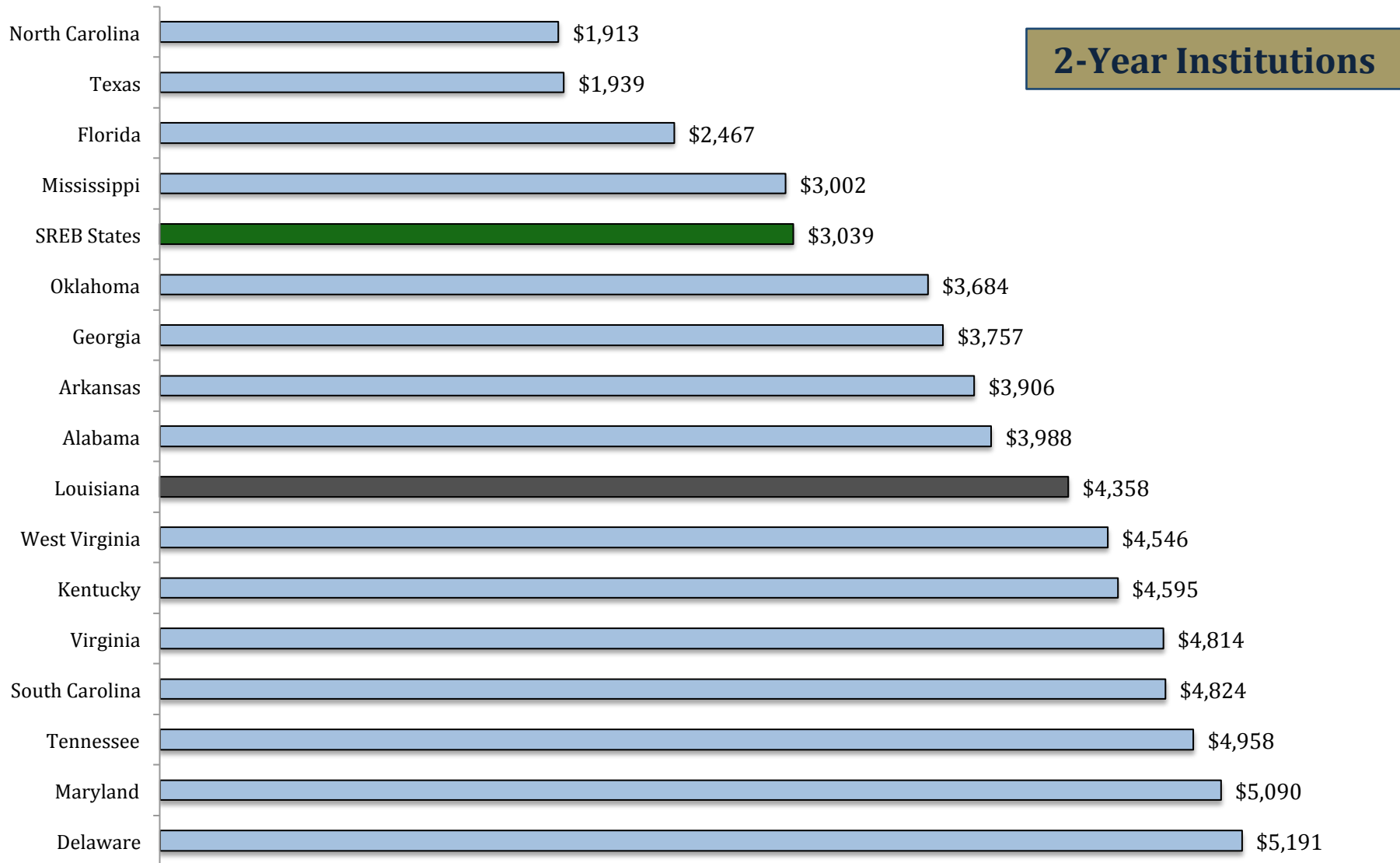
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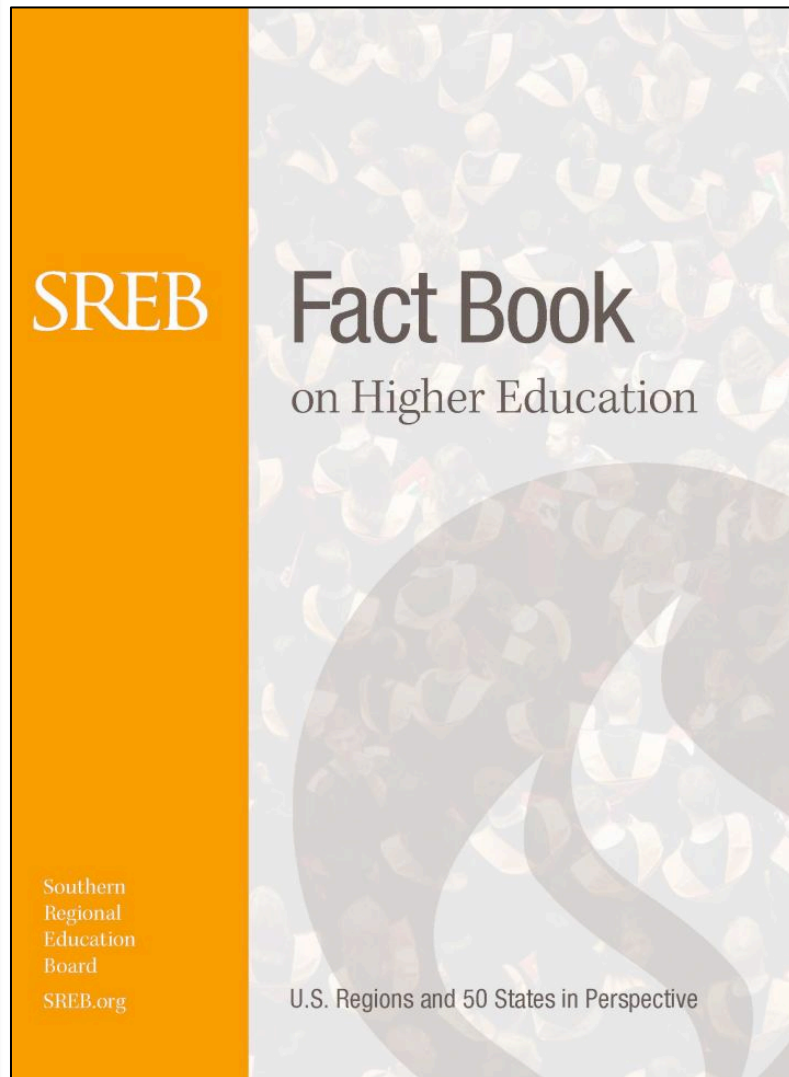


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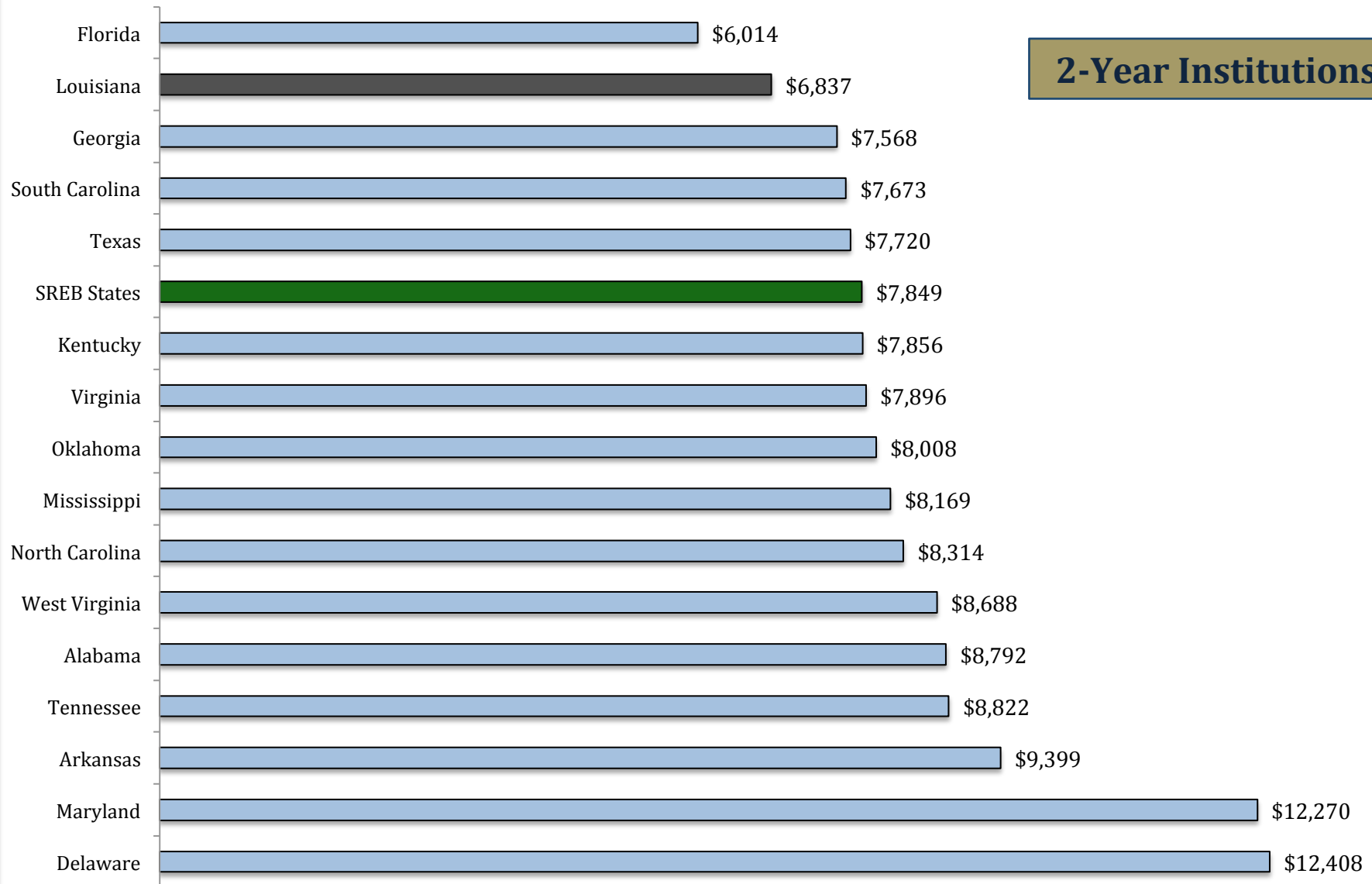
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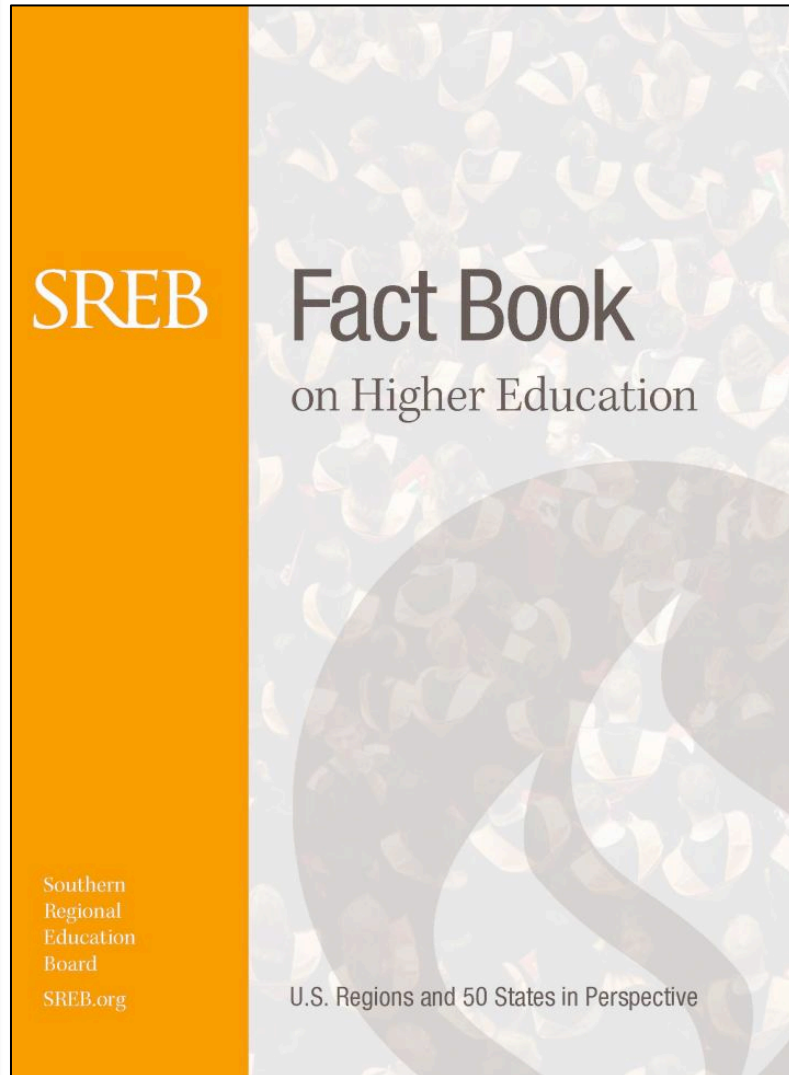
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# Schedule 19 — Higher Education



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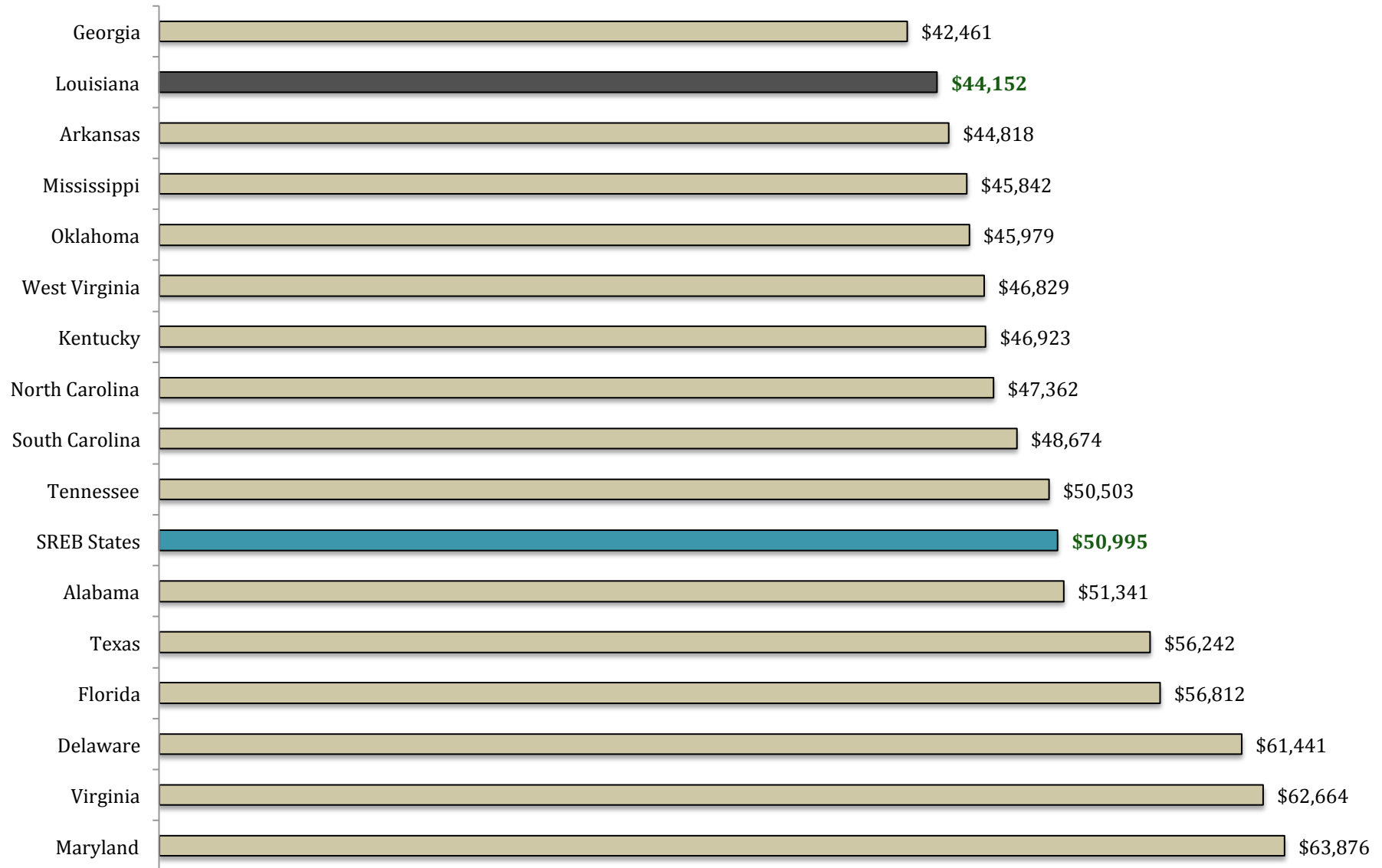
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## Average Salaries Full-time Instructional Faculty 2-Year Institutions, 2015-2016 (Source: SREB Data Exchange)





# Schedule 19 — Higher Education



## SHEEO

STATE HIGHER EDUCATION EXECUTIVE OFFICERS ASSOCIATION

### SHEF: FY 2017

STATE HIGHER EDUCATION FINANCE

#### Report Summary – Released March 2018

Annually, the State Higher Education Executive Officers Association (SHEEO) releases the State Higher Education Finance (SHEF) Report, which provides comparative data for all 50 states for state appropriations/FTE, tuition & fees/FTE and total funding/FTE. From a national perspective, highlights of the report include:

- 28 states rely primarily on tuition to fund higher education;
- States have not reached pre-recession funding levels;
- FTE enrollment increased from 10.2 million in 2008 to 11.5 million in 2012. FTE enrollment has decreased to 11 million;
- States allocated an average of \$673 in financial aid per student, which represents an 86% increase since 2000.

#### **Louisiana Results From Report:**

- Louisiana ranks last in percent change since the recession (2008) in educational appropriations per FTE (Louisiana, -46% decrease, U.S. Average, -12%).
- Louisiana ranks second to last in percent change since the recession (2008) in total educational revenue per FTE (Louisiana, -17% decrease, U.S. Average, +6%).
- Louisiana is 1 of 17 states that are at least 10% below their pre-recession total educational revenue per FTE.

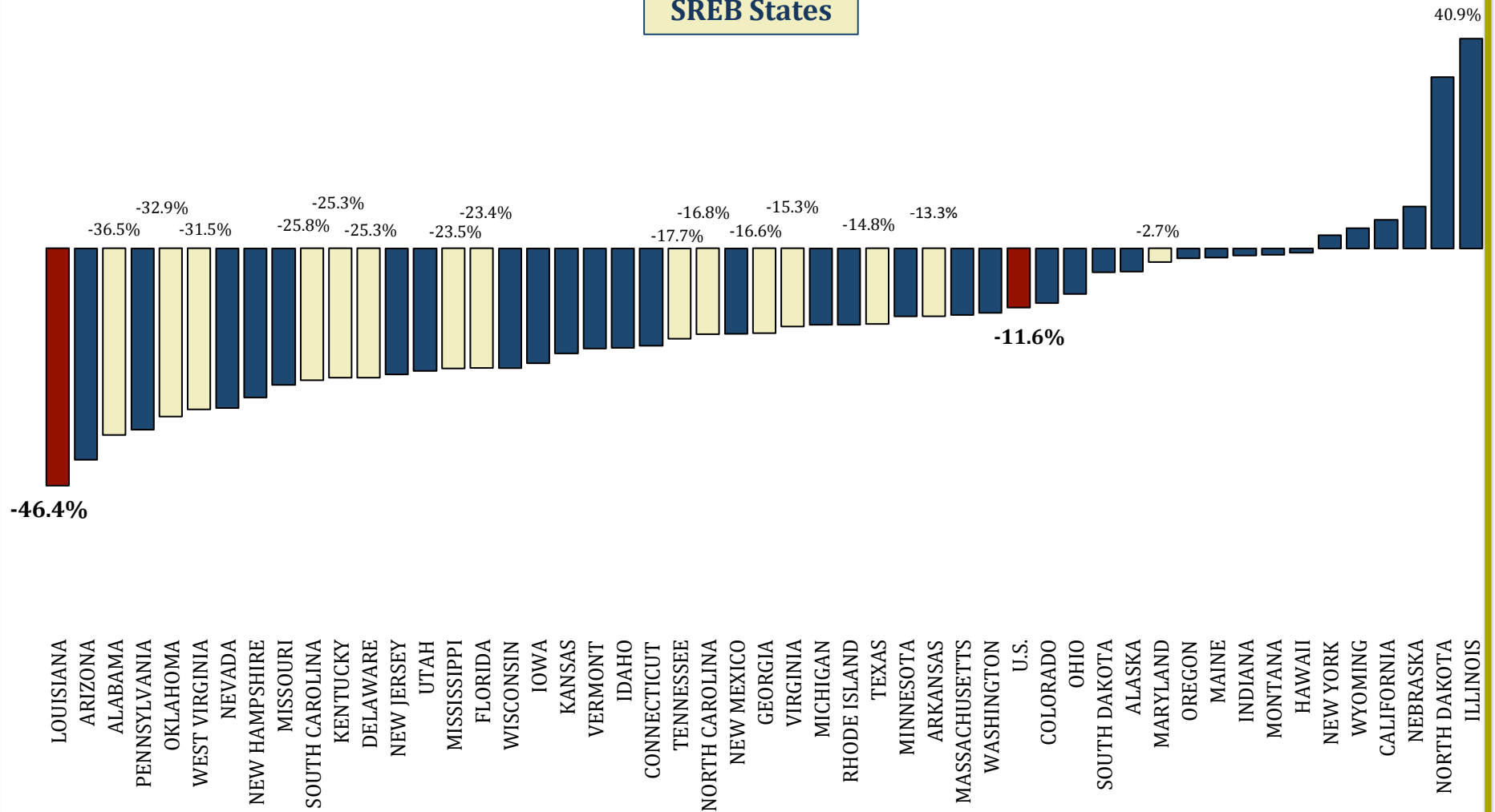


# Educational State Appropriations Per FTE

Source: State Higher Education Executive Officers Association (SHEEO)  
2017 State Higher Education Finance (SHEF)

## PERCENT CHANGE SINCE RECESSION (2008-2017)

SREB States



**Note:** The SHEEO Data has been adjusted for a cost of living adjustment, enrollment mix and higher education cost adjustment in order to provide true comparison among states. The data has been adjusted to 2017 using these three difference indexes.

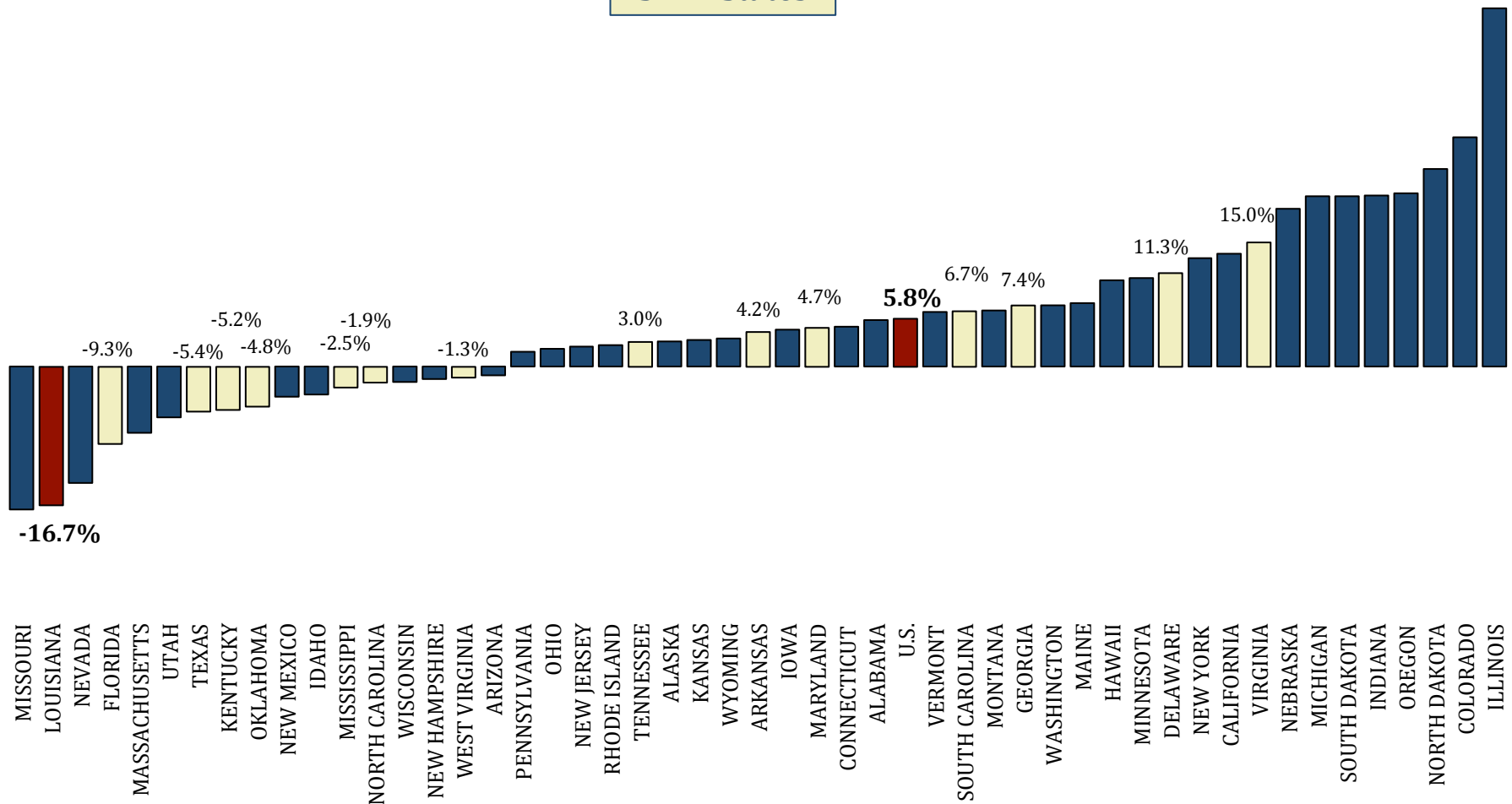


# Total Educational Revenue Per FTE

Source: State Higher Education Executive Officers Association (SHEEO)  
2017 State Higher Education Finance (SHEF)

## PERCENT CHANGE SINCE RECESSION (2008-2017)

SREB States



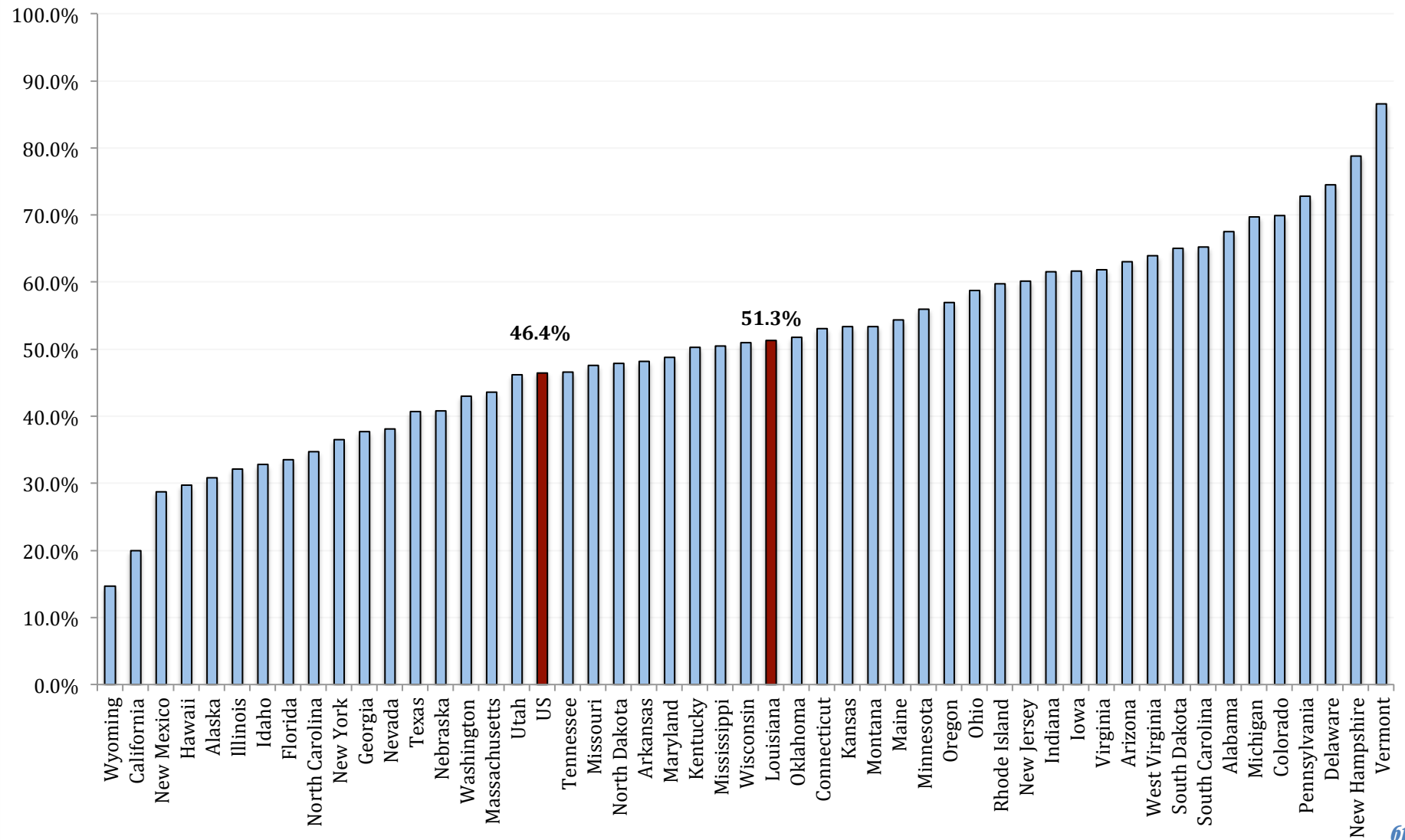
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# Net Tuition as a % of Total Educational Revenues

Source: State Higher Education Executive Officers Association (SHEEO)  
2017 State Higher Education Finance (SHEF)

2017





# Schedule 19 — Higher Education

## **HIGHER EDUCATION FUNDING FORMULA OVERVIEW**



# HIGHER EDUCATION FUNDING FORMULA

## Recent History (2-year/4-year Institutions)

RECENT FORMULA HISTORY											
	FY 09	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19
Formula Method	FTE by SREB Category	Cost Formula				Cost Formula plus Strategic Initiatives			Outcomes Based Funding		
Distribution Information	Funded at the SREB average for 1st time	American Recovery & Reinvestment (ARRA) Funds used to minimize cuts	American Recovery & Reinvestment (ARRA) Funds used to minimize cuts	Formula with 4% Stop Loss	Formula with 4% Stop Loss	Formula with 4% Stop Loss	Formula not used; Pro-Rata Share based on previous year	Formula not used; Pro-Rata Share based on previous year	Formula distribution based on 70% base/15% cost/15% outcomes	Formula distribution based on 65% base/17.5% cost/17.5% outcomes	?

- Pursuant to Article VIII, Section 5(D)(4), one of the functions of the Board of Regents is to provide for a formula that equitably distributes funds to public institutions.
- Pursuant to Act 462 of 2014 by Senator Appel, the Board of Regents developed and implemented an outcomes based funding formula for 2-year/4-year institutions beginning in FY 17.
- The current 2-year/4-year funding formula consist of 3 parts:
  - COST
  - OUTCOMES
  - BASE LEVEL FUNDING

Prior to the Outcomes funding formula requirement of Act 462 of 2014, for FY 15 and FY 16 the Board of Regents did **not** run the funding formula and distributed the SGF resources on a pro-rata share basis of the prior year's base budget.

At this time, the Board of Regents has not made any decisions relative to the FY 19 Higher Education Funding formula, as the latest data utilized for the outcomes portion of the formula will not be available until sometime in Spring 2018. The Board of Regents decision relative to the formula will likely not be finalized until June 2018.

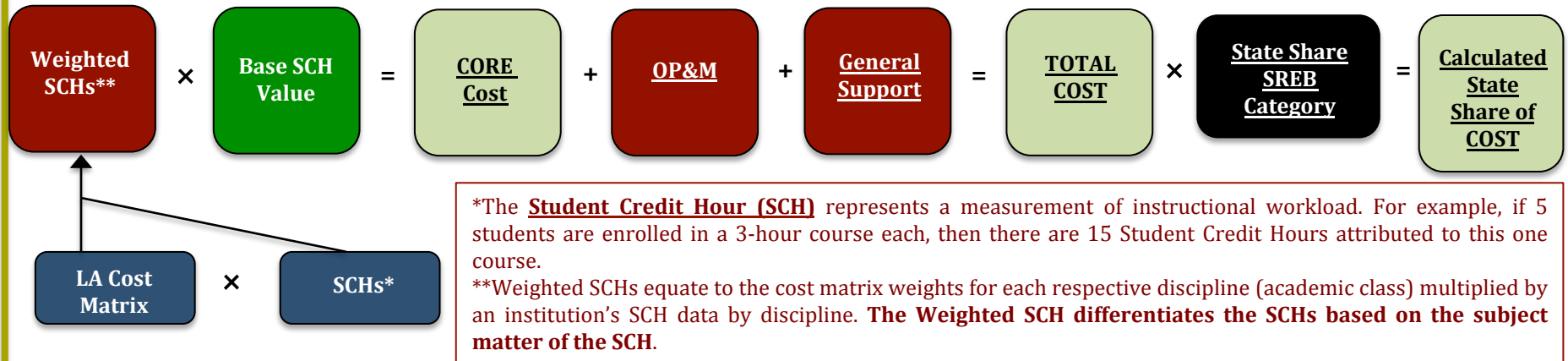
However, pursuant to R.S. 17:3129(F) (Act 899 of 2010), the Board of Regents approved a preliminary distribution based on using a **pro-rata share approach** and not using the formula at its March 2018 board meeting.



# COST PORTION OF THE FORMULA

(Components include: Core Cost, Operation of Plant & Maintenance (OP&M) & General Support)

The **Cost Portion** of the formula is based on various third-party data that are utilized to calculate the ***ideal cost*** of an institution based on the academic program offerings (program mix) of that institution.



- **Core Cost Component** – The Core Cost accounts for approximately **75%** of the total cost portion of the Higher Education Cost Formula. The basis of the Core Cost is the Base Student Credit Hour (SCH) Value as well as Weighted SCHs. Various third-party data sources are utilized to calculate the base per credit hour for the least expensive course to teach at an institution, which is a lower-level liberal arts course, also known as the Base SCH Value.
- **Operation, Plant & Maintenance (OP&M)** – This component of the cost formula is calculated by using an institution's net assignable square footage multiplied by a per square foot dollar amount. This component represents approximately **7%** of the total cost component.
- **General Support** – This component of the cost formula is calculated using the Integrated Postsecondary Education Data System (IPEDS) General Support Ratio. The ratio represents the portion of the total budget expended on General Support Service by SREB category institution. Examples of those expenditures include: operational support, general administrative, fiscal and executive level services of the institution. This component represents approximately **18%** of the total cost component.





# **OUTCOMES BASED FUNDING FORMULA PORTION**

## **ACT 462 REQUIREMENTS**

### **STUDENT SUCCESS FACTORS**

- Timely progression toward degree completion
- Cost of completion, certificate & degree production
- Successful transfer of students from 2-years to 4-years

### **ALIGN WITH WORKFORCE NEEDS**

- Certificate & degree production in science, technology, engineering, mathematics and other high-end fields

### **RESEARCH & INNOVATION**

- Research expenditures, technology transfer & commercialization

### **FUNDING**

- Include credit hours and cost of certificate and degree completion



## **METRICS**

### **STUDENT SUCCESS FACTOR METRICS**

- Time-to-degree (native students & transfers)
- Higher weights for upper level students (retention & progression)
- Certificates & diplomas awarded and graduate degrees awarded
- Transfer students from 2-year institutions to 4-year institutions
- Pell Completers

### **WORKFORCE NEED METRIC**

- Completers in programs that lead to 4 & 5 Star Jobs
- Incentive for recruiting adults age 25 and above

### **RESEARCH & INNOVATION METRICS**

- Research component for the 4-year institutions

### **FUNDING METRICS**

- Cost portion of the formula is used in overall weight distribution



# OUTCOMES BASED FUNDING FORMULA WEIGHTS

ACCESS, RETENTION, PROGRESSION & CLOSING THE EDUCATIONAL GAP						
Student Level	STUDENT LEVEL ENROLLMENT WEIGHTS		2 YEAR & 4 YEAR ENROLLMENT WEIGHTS for SPECIFIC POPULATIONS		CROSS ENROLLMENT	RESEARCH
	4-YEAR	2-YEAR	Adult Enrollment	Pell Enrollment	2-YEAR	4-YEAR
Preparatory	0.5	0.5	0			
Freshman	0.5	0.75	0.1			
Sophomore	0.75	1	0.1			
Other Undergraduate	0.75	1.1	0.1			
Junior	1		0.2			
Senior	1.1		0.2			
Graduate	1.2					1.5
Undergraduate				0.2	0.1	

**Outcomes Portion** is broken down into two components:

1.) Access, Retention, Progression & Closing the Educational Gap,

2.) Completions, Transfers & Workforce

## COMPLETIONS, TRANSFERS & WORKFORCE

TIME-TO-DEGREE			
Weight	BACCALAUREATE		ASSOCIATE
	First-Time, Full-Time Freshman	Transfer Students	Any Student
1.5	< 4 Years	< 3 Years	< 2 Years
1.4	4.0 - 4.5 Years	3.0 - 3.5 Years	2.0 - 2.3 Years
1.3	4.5 - 5.0 Years	3.5 - 4.0 Years	2.3 - 2.7 Years
1.2	5.0 - 6.0 Years	4.0 - 4.5 Years	2.7 - 3.0 Years
1.1	6.0 - 8.0 Years	4.5 - 6.0 Years	3.0 - 4.0 Years
1.0	> 8 Years	> 6 Years	> 4 Years

COMPLETERS	
Weight	Level
0.25	Certificate
0.5	Diploma
1.0	Masters
0.5	Post Masters
1.5	Doctoral
2.0	Professional
0.5	Post-Professional
0.5	Educator Specialist
0.5	Graduate Certificate
0.25	Pell Undergraduate
0.25	Adult 25+ Undergraduate

4 & 5 STAR JOBS	
TIERS	WEIGHT
1	1.5
2	2.5
3	3.0
4	3.5

**See Next Slide**



## Academic Program Examples

### 4 & 5 Star Tier 4 Job Outcomes Metric, Highest Weight

#### 4 Year Examples

- Computer Science
- Chemical Engineering
- Electrical Engineering
- Construction Management
- Petroleum Engineering
- Mechanical Engineering
- Industrial Engineering
- Civil Engineering
- Computer Engineering
- Computer & Information Sciences

#### 2 Year Examples

- Welding Technology
- Electrician
- Heating, Air Conditioning
- Drafting & Design Technology
- Computer Systems Networking
- Industrial Technician
- Network & Systems Administration
- Diesel Mechanics Technology



## HIGHER EDUCATION FUNDING FORMULA

### Formula Changes from FY 17 to FY 18

- **Distribution weights** for Base, Cost, and Outcomes changed.
  - *FY 17* – 70% BASE, 15% COST, 15% OUTCOMES
  - *FY 18* – 65% BASE, 17.5% COST, 17.5% OUTCOMES;
- The **2-year/4-year pool breakdown** for the Outcomes formula portion was changed from being based on the cost portion of the formula (25.14% - 2 year, 74.86% - 4 year) to being based on the current base budget (24.33% - 2 year, 75.67% - 4 year) (at the time FY 17 base);
- The **class size** used to calculate the Base Student Credit Hour (SCH) Value utilized in the cost component of the formula was changed from a 26 class size for all 4-year to a 26 class size for SREB 1 & 2 category institutions and 24 class size for SREB 3 & 4 category institutions;
- **Removed all 100% online/100% out-of-state students** from the Student Credit Hour (SCH) data.
- At this time, any changes to the higher education formula for FY 19 have not been released by the Board of Regents.

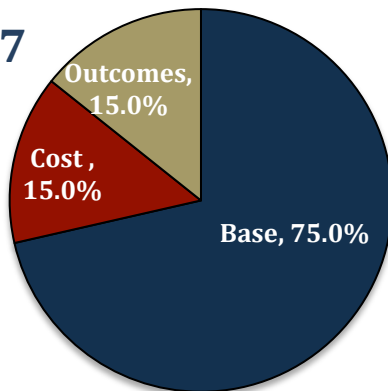


# HIGHER EDUCATION FUNDING FORMULA

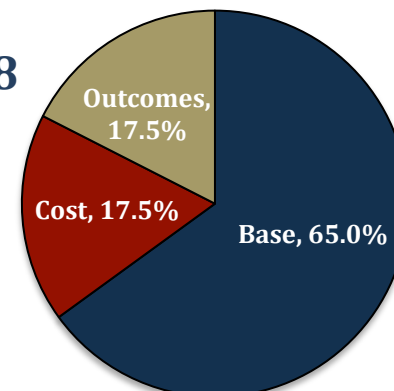
## FY 19 DISTRIBUTION

Due to provisions in Act 462 of 2014 that provide for the prevention of **dramatic changes** in funding from one institution to another while implementing the Outcomes Funding Formula, in FY 17 (Year 1) the Board of Regents made a policy decision to weigh the various portions of the formula as follows: 70% - Base Funding; 15% - Cost Portion; and 15% - Outcomes Portion. The weights were modified in FY 18. The weights for FY 17 and FY 18 are depicted below.

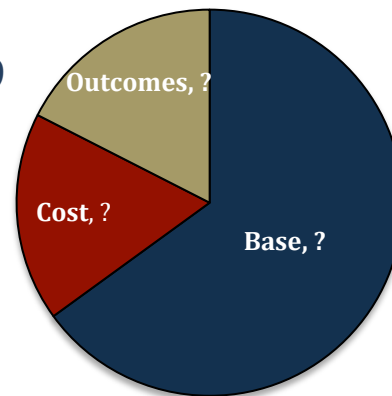
**FY 17**



**FY 18**



**FY 19**



The Board of Regents has not decided the weights to be used for FY 19.



# HIGHER EDUCATION FUNDING FORMULA

## FY 19 DISTRIBUTION ILLUSTRATION

Information below is **subject to change** and is for **illustrative purposes only**. This illustration utilizes the current base SGF of **\$485 M**, the same formula metrics and data (*Spring 2017 cost & Spring 2017 outcomes*) as well as the FY 18 distribution weights of **65% Base, 17.5% Cost, & 17.5% Outcomes**. The information below will change once the Board of Regents decides the weights and updates the data utilized in the formula.

FY19 FORMULA USING LAST YEAR's DATA (COST & OUTCOMES)	FY18 EOB	SPRING 2017 DATA		FY 19 Distribution Illustration	Change from FY 18 BASE	% Change
		100% COST	100% OUTCOMES			
Grambling State University	\$12,397,631	\$11,845,478	\$10,215,108	\$11,919,063	(\$478,568)	-3.86%
Louisiana Tech University	\$27,128,500	\$27,343,915	\$28,472,053	\$27,401,319	\$272,819	1.01%
McNeese State University	\$16,700,736	\$17,129,971	\$15,719,192	\$16,604,082	(\$96,654)	-0.58%
Nicholls State University	\$13,983,559	\$13,971,336	\$13,031,086	\$13,814,737	(\$168,822)	-1.21%
University of Louisiana at Monroe	\$23,937,086	\$31,709,579	\$18,438,078	\$24,334,946	\$397,860	1.66%
Northwestern State University	\$19,797,594	\$21,850,390	\$18,720,636	\$19,968,366	\$170,772	0.86%
Southeastern Louisiana University	\$27,437,909	\$28,177,145	\$26,245,129	\$27,358,539	(\$79,370)	-0.29%
University of Louisiana-Lafayette	\$45,215,717	\$43,347,581	\$50,514,100	\$45,816,010	\$600,293	1.33%
University of New Orleans	\$26,562,492	\$20,228,775	\$28,360,192	\$25,768,689	(\$793,803)	-2.99%
L.S.U. at Alexandria	\$4,847,690	\$4,620,419	\$3,844,511	\$4,632,361	(\$215,329)	-4.44%
L.S.U. and A&M College	\$115,513,766	\$113,403,340	\$122,728,597	\$116,407,037	\$893,271	0.77%
L.S.U. in Shreveport	\$7,615,400	\$8,742,511	\$8,784,390	\$8,017,218	\$401,818	5.28%
Southern University and A&M Coll.	\$19,378,311	\$16,216,807	\$15,786,626	\$18,196,503	(\$1,181,808)	-6.10%
Southern University in New Orleans	\$6,169,908	\$4,646,150	\$5,826,599	\$5,843,171	(\$326,737)	-5.30%
FY19 FORMULA USING LAST YEAR's DATA (COST & OUTCOMES)	FY18 EOB	100% COST	100% OUTCOMES	FY 19 Distribution Illustration	Change from FY 18 BASE	% Change
L.S.U. at Eunice	\$4,620,901	\$5,289,863	\$3,988,413	\$4,627,284	\$6,383	0.14%
Southern University in Shreveport	\$5,518,427	\$6,039,077	\$4,183,216	\$5,375,879	(\$142,548)	-2.58%
Baton Rouge Community College	\$14,432,889	\$14,335,720	\$13,585,742	\$14,267,634	(\$165,255)	-1.14%
Bossier Parish Community College	\$10,847,513	\$11,674,187	\$10,863,875	\$10,995,044	\$147,531	1.36%
Delgado Community College	\$25,533,593	\$27,725,273	\$24,720,062	\$25,774,769	\$241,176	0.94%
Elaine P. Nunez Community Coll.	\$3,618,662	\$3,883,873	\$3,993,962	\$3,730,751	\$112,089	3.10%
River Parishes Community Coll.	\$3,331,782	\$3,367,016	\$3,342,493	\$3,339,822	\$8,040	0.24%
South Louisiana Community Coll.	\$12,329,806	\$12,774,472	\$12,279,540	\$12,398,826	\$69,020	0.56%
Louisiana Delta Community Coll.	\$7,344,573	\$7,220,345	\$6,436,815	\$7,163,975	(\$180,598)	-2.46%
L.E. Fletcher Technical Comm. Coll.	\$3,406,738	\$3,819,815	\$3,909,329	\$3,566,980	\$160,242	4.70%
Sowela Technical Community Coll.	\$7,746,573	\$7,492,059	\$11,635,872	\$8,382,660	\$636,087	8.21%
Central LA Tech Community College	\$6,056,373	\$4,817,820	\$3,545,796	\$5,400,275	(\$656,098)	-10.83%
Northshore Technical Community College	\$5,398,002	\$6,030,685	\$6,129,447	\$5,636,724	\$238,722	4.42%
LTC (SCLTC & NWLTC)	\$8,322,697	\$7,491,226	\$9,893,967	\$8,452,162	\$129,465	1.56%